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CONTENTS

22 March 1990

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

Tian Jiyun Meets UN Officials in Beijing [XINHUA] 1

Soviet Union

Inner Mongolia-USSR Sign Medical Agreement [NEIMENGGUO RIBAO 4 Feb] 1

Northeast Asia

Wu Xueqian Meets Former Japanese Minister [XINHUA] 1

Xi Zhongxun Meets DPRK Visitors [XINHUA] 1

Sino-Japanese Hotel Venture Opens in Shanghai [XINHUA] 1

Yanbian-North Hamgyong Border Trade Flourishing [LIAONING RIBAO 7 Feb] 1

Southeast Asia & Pacific

Justice Minister Arrives in Bangkok [XINHUA] 2

CPC Delegation Ends Visit to Laos [XINHUA] 2

Near East & South Asia

Qian Qichen Arrives in New Delhi 21 Mar [XINHUA] 2

Wu Xueqian Holds Talks With Bangladesh Premier [XINHUA] 3

Embassy in Bahrain Officially Opens 21 Mar [XINHUA] 3

Sub-Saharan Africa

Li Tieying at Namibian Independence Celebration [XINHUA] 3

Wu Xueqian Arrives in Gabon for Talks [XINHUA] 3

West Europe

Finnish Environmental Delegation Visits Hebei [HEBEI RIBAO 13 Feb] 3

Tianjin Builds 'China Town' in Britain [XINHUA] 4

NATIONAL AFFAIRS

Political & Social

Further Reportage on Seventh NPC Session 5

XINHUA 'Backgrounder' 5

Personnel Changes Expected [Hong Kong TANG TAI 17 Mar] 5

Parties Called 'Mere Ornaments' [Hong Kong MING PAO 12 Mar] 6

RENMIN RIBAO Editorial [20 Mar] 7

Deputies React to Work Report [XINHUA] 9

Bo Yibo on Report [XINHUA] 9

Deputy Presents Proposals [XINHUA] 10

Beijing Residents View Session [XINHUA] 10

Students, Teachers on Session [XINHUA]	11
Further on Hu Qili [Hong Kong SOUTH CHINA MORNING POST 21 Mar]	11
Song Ping Urges Self-Reliance [XINHUA]	12
National Economic Report Issued [XINHUA]	12
Further on Economic Reports [Beijing Radio]	15
Zhang Haoruo Interviewed [XINHUA]	18
Shanxi Governor Interviewed [XINHUA]	18
Press Reactions to NPC, CPPCC Sessions	19
Editorial Greetings Offered [XINHUA]	19
CPC Restricts Media Reports [Hong Kong MING PAO 20 Mar]	20
Further Reportage Concerning CPPCC Sessions	20
Members Comment on Work Report [XINHUA]	20
Membership Discusses Report [XINHUA]	21
Hong Kong, Macao Satisfied [XINHUA]	21
Trade Unions on Participation [XINHUA]	22
Most Tibetans Against Riots [ZHONGGUO XINWEN SHE]	22
Senior Official Discusses Non-Party Appointments [HONGKONG STANDARD 22 Mar]	23
XINHUA Interviews Scholar on Stability	24
Anticorruption Campaign Faces Many Difficulties [Hong Kong MING PAO 22 Mar]	24
Guangdong Governor Ye Xuanping May Retain Post [Hong Kong MING PAO 22 Mar]	25
College Rectification, Reorganization Viewed [RENMIN RIBAO 9 Mar]	26
Li Tieying Welcomes Asian Games Athletes Home [XINHUA]	26
Jiusan Society Stresses Importance of Stability [RENMIN RIBAO 11 Mar]	27

Military

Chi Haotian Writes on Lei Feng Spirit [RENMIN RIBAO 2 Mar]	27
------------------------------------------------------------	----

Economic & Agricultural

Roundup Views Taxation for Foreign Businesses [XINHUA]	30
Foreign Debt Said 'Under Control' [XINHUA]	31
Cash Supply Expected To Ease, Boost Industry [CHINA DAILY (BUSINESS WEEKLY) 19 Mar]	31
Rise in Debt Defaulters Reported [CHINA DAILY (BUSINESS WEEKLY) 19 Mar]	32

REGIONAL AFFAIRS

East Region

Jiangsu People's Congress Presidium Meets [XINHUA RIBAO 25 Feb]	34
Xiang Shouzhi at Nanjing Military Awards [XINHUA]	34
Shandong Officials Review Plenum Decision [Jinan Radio]	34
Zhejiang Bribe-Taker Given Sentence, Reprieve [XINHUA]	36

Southwest Region

Tibet NPC Deputies Discuss Li Peng's Report [Lhasa Radio]	36
-----------------------------------------------------------	----

North Region

Hebei Holds People's Congress Elections [XINHUA]	37
Wang Presides at Inner Mongolia Plenum Opening [Hohhot Radio]	37
Inner Mongolia Congress To Discuss Assembly Law [Hohhot Radio]	38
Shanxi Leader Views Courts' Role in Stability [SHANXI RIBAO 18 Feb]	38
Shanxi Holds Propaganda Work Meeting [SHANXI RIBAO 24 Feb]	39
Shanxi Holds Anticorruption Conference [SHANXI RIBAO 23 Feb]	40
Peng Zhen Recalls Shanxi Party History [SHANXI RIBAO 6 Feb]	41

Northeast Region

Changchun Hosts Regional Payment Default Meeting [Changchun Radio]	42
Sun Weiben Heads Heilongjiang NPC Delegates [Harbin Radio]	42

Northwest Region

Gansu's Li Ziqi Stresses Ties With Masses [Lanzhou Radio]	43
Members Added to Gansu Provincial Leadership [RENMIN RIBAO 10 Mar]	43
Qinghai CPC Committee Holds Monthly Meeting [Xining Radio]	43
Shaanxi's Zhang Stresses Closer Ties With Masses [Xian Radio]	44
Shaanxi's Governor Hou Zongbin Profiled [RENMIN RIBAO 7 Mar]	44

PRC MEDIA ON TAIWAN AFFAIRS

Article Examines Disturbance Within KMT [TA KUNG PAO 18 Mar]	47
Rise in Taiwan Trade, Investment Forecast [CHINA DAILY 22 Mar]	49
Xiamen Continues To Attract Taiwan Capital [XINHUA]	49

TAIWAN

Li Seeks Trust, Time From Students [CNA]	50
Li Yuan-zu Elected Vice President by Assembly [CNA]	50
President Li Receives Congratulation Messages	51
Chinese Community in Spain [CNA]	51
Spanish Congressman [CNA]	51
Saudi, Guatemalan Envoys [CNA]	51
Scholars Urge Formal Philippine Ties [CNA]	51
Polish Company To Establish Taipei Branch [CNA]	51
Peru To Open Taipei Trade Office [CNA]	51
Government Considers National Affairs Forum	52
Purpose Considered [Taipei Radio]	52
July Date Planned [CNA]	52
Officials Optimistic [CNA]	52
Li Huan Urges Vigilance Against PRC Invasion [CHINA POST 14 Mar]	53
Fujian Troop Reinforcements Called 'Routine' [Taipei Radio]	53
Ministry Defines Mainland Investment Principles [Taipei Radio]	54
Naval Commander Visits South Africa [CNA]	54

HONG KONG & MACAO

Hong Kong

Basic Law Discussion Continues in PRC	55
NPC Standing Committee [XINHUA]	55
Economic Prospects [XINHUA]	56
Joint Liaison Group Chief Guo Fengmin Honored	57
Guo Addresses Group [XINHUA]	57
JLG To Discuss Issues [SOUTH CHINA MORNING POST 22 Mar]	57
PRC Urges JLG Opinion [HONGKONG STANDARD 22 Mar]	57
PRC Still Views Colony as Security Threat [SOUTH CHINA MORNING POST 21 Mar]	58
Lord Carrington Carries PRC Message to UK [HONGKONG STANDARD]	59

General

Tian Jiyun Meets UN Officials in Beijing

OW2203090290 Beijing XINHUA in English
0805 GMT 22 Mar 90

[Text] Beijing, March 22 (XINHUA)—Chinese Vice Premier Tian Jiyun met with John Richard Foran, assistant secretary general of the United Nations, and his party here this afternoon.

Accompanying Foran were two UN officials in charge of United Nations Joint Pension Fund. The fund has invested about 42 million U.S. dollars in China.

The visitors are here to explore possibilities of further investment in China. They will later tour Shanghai, Guangzhou and Shenzhen.

Soviet Union

Inner Mongolia-USSR Sign Medical Agreement

SK2103133590 Hohhot NEIMENGGU RIBAO
in Chinese 4 Feb 89 p 1

[Text] Through friendly consultation, Hulun Buir League and the Soviet Union's Aginske [name as published] Autonomous Region signed an agreement of intention on conducting cooperation in the medical and public health spheres.

The agreement stipulates: This year, Hulun Buir League is to select and transfer specialists in traditional Chinese medicine, traditional Mongolian medicine, acupuncture and moxibustion, massotherapy, and traditional Chinese and Mongolian pharmacy to hospitals in Aginske Autonomous Region. The Soviet side is to provide necessary working and living conditions for the Chinese working personnel and give them the payments that the public health personnel of the same levels in the Soviet Union enjoy. The Chinese side is to cultivate personnel specialized in Chinese and Mongolia traditional medicine, acupuncture and moxibustion, and massotherapy for the Soviet Union. From 1991, the Soviet side will annually send 10 to 15 personnel to China to study traditional Chinese and Mongolian medicine. Simultaneously, the Chinese side will send students of the same number to study Russian and other specialized courses in the Soviet Union. Both sides will mutually invite personnel to participate in academic seminars.

Northeast Asia

Wu Xueqian Meets Former Japanese Minister

OW2203043090 Beijing XINHUA in English
0225 GMT 22 Mar 90

[Text] Windhoek, March 21 (XINHUA)—Chinese Vice Premier Wu Xueqian met former Japanese Foreign

Minister Kuranari Tadashi here today to discuss international and Asian issues and bilateral relations between the two countries.

Both Vice Premier Wu and Mr. Kuranari Tadashi came here as special envoy of their respective governments to attend the independence celebrations of Namibia.

The Japanese envoy said that Japan attaches importance to the development of the friendly relations between Japan and China.

Vice Premier Wu reaffirmed that China's open-door policy will never change and hoped that the friendly bilateral relations between the two countries will continue to develop.

Xi Zhongxun Meets DPRK Visitors

OW2103143790 Beijing XINHUA in English
1321 GMT 21 Mar 90

[Text] Beijing, March 21 (XINHUA)—Xi Zhongxun, vice chairman of the Standing Committee of the National People's Congress, met and feted Yom Chaeman, member of the Central Committee of the Worker's Party of Korea and chairman of the North Pyongan Provincial Committee for Administrative and Economic Guidance, and his party here today.

The Korean guests are on a goodwill visit to China at the invitation of the Liaoning provincial government.

Sino-Japanese Hotel Venture Opens in Shanghai

OW2103174690 Beijing XINHUA in English
1506 GMT 21 Mar 90

[Text] Shanghai, March 21 (XINHUA)—A hotel funded with both Chinese and Japanese capital opened for business today in Shanghai.

The Garden Hotel, jointly built by Japan's Nomura Securities Co. Ltd and Shanghai's Jinjiang Holding Company, involved a total investment of 17.6 billion Japanese yen.

Construction work started in 1986, and the hotel opened on a trial basis in 1989.

So far, there are 37 hotels for foreign tourists in Shanghai, of which 20 are foreign-funded ones. The number will climb to 43 this year.

Yanbian-North Hamgyong Border Trade Flourishing

SK2103135690 Shenyang LIAONING RIBAO
in Chinese 7 Feb 90 p 2

[Text] The border trade between the North Hamgyong Province in the DPRK and Yanbian Prefecture in China has always been relatively brisk over the past few years.

Korean people like China's commodities for daily use such as quilt covers, sheets, table lamps, and soaps; and the people in China's Yanbian Prefecture like Korea's

marine products such as walleye, pollacks, and crabs. By helping supply each other's needs, the two sides have contacted each other in trade frequently. Thus far, more than 140 varieties of commodities have been traded between the two sides. In 1982, the trade volume between the two sides was only 1.03 million Swiss francs; in 1988, this figure developed to 100 million Swiss francs; and in the first 10 months of 1989 alone, this figure exceeded 100 million Swiss francs. At the moment, Chinese and Korean sides are cooperating with each other in the processing of knit goods, cosmetics, pincers, and marine products. Some of them have already witnessed results.

Southeast Asia & Pacific

Justice Minister Arrives in Bangkok

OW2103130590 Beijing XINHUA in English
1144 GMT 21 Mar 90

[Text] Bangkok, March 21 (XINHUA)—A Chinese justice delegation led by Cai Cheng, minister of justice, arrived here today for a seven-day visit to Thailand at the invitation of the Thai Ministry of Justice.

During their stay here, members of the Chinese delegation will call on president of the Thai Supreme Court and other high-ranking judges of Thailand. They will exchange information on judicial matters in both countries.

This is the fifth Chinese justice delegation to visit Thailand since China established diplomatic ties with Thailand in 1975.

CPC Delegation Ends Visit to Laos

OW2103165090 Beijing XINHUA in English
1605 GMT 21 Mar 90

[Text] Hanoi, March 21 (XINHUA)—A Chinese Communist Party delegation returned home on Tuesday after a one-week cordial visit to Laos, the official Laotian News Agency KPL reported today.

The delegation, led by Zhu Shanqing, deputy head of the foreign relations commission of the CPC Central Committee, arrived in Vientiane, capital of Laos, on March 13.

The delegation held talks on March 16 with Oudom Khattigna, alternate member of the Political Bureau and secretary of the Lao People's Revolutionary Party Central Committee. The two sides exchanged views on party's organizational work, the training of party members and cadres as well as the economic situation of the two countries, the report said.

The delegation's successful visit to Laos will promote the friendly relations and cooperation between the two parties, states and peoples, KPL added.

Near East & South Asia

Qian Qichen Arrives in New Dehli 21 Mar

OW2103155990 Beijing XINHUA in English
1539 GMT 21 Mar 90

[Text] New Delhi, March 21 (XINHUA)—Chinese Foreign Minister Qian Qichen arrived here this evening on a visit to India at the invitation of Indian External Affairs Minister Kumar Inder Gujral.

He was warmly greeted at the Delhi airport by his Indian counterpart.

At the airport, Qian told reporters that the main purpose of his visit to India is to continue to improve the friendly relations between China and India.

Gujral said he was very glad for Qian's coming and was sure that cooperation between India and China would be enhanced after their talks.

Qian arrived in Bombay yesterday morning from Bahrain and visited Agra in the northern Indian state of Uttar Pradesh today.

During his stay in the capital, the Chinese foreign minister is scheduled to call on Indian Vice-President Shanker Dayal Sharma and Prime Minister V.P. Singh on Thursday and Friday (March 22 and 23). He will also hold talks with his Indian counterpart Inder Kumar Gujral on bilateral relations and international matters of mutual concern.

Qian's visit coincides with the 40th anniversary of the establishment of diplomatic relations between China and India. India was the first country to recognize the People's Republic of China outside the socialist countries on April 1, 1950.

Qian's visit is the first high-level contact between the two countries since the India National Front government came to power last December.

China and India resumed high-level officials' visit between them after a lapse of about 20 years when former Chinese Foreign Minister Huang Hua visited India in 1981.

Former Indian Minister Rajiv Gandhi visited Beijing in December 1988, followed by Chinese Vice-Premier Wu Xueqian's visit to India in October 1989.

Chinese Premier Li Peng said in his report on government work to the National People's Congress yesterday that "Sino-Indian relations are improving."

Indian President R. Venkataraman also said to parliament on March 12 that "the pace of diplomatic changes between India and China is being accelerated, contributing to the development of mutually beneficial cooperation on the basis of panchsheel (the five principals of peaceful co-existence)."

Wu Xueqian Holds Talks With Bangladesh Premier

OW2203042390 Beijing XINHUA in English
0239 GMT 22 Mar 90

[Text] Windhoek, March 21 (XINHUA)—Chinese Vice Premier Wu Xueqian held talks with Bangladesh Premier Kazi Zafar Ahmed here today.

During the talks, Premier Kazi recalled his previous visits to China and said that the stability of China will have great impact on the situation in Asia as well as the whole world.

Kazi expressed the willingness of his government to strengthen the friendship and cooperation between the two countries.

Vice Premier Wu briefed the Bangladesh premier of the stable political situation in China, and expressed the wishes of the Chinese Government to enhance the friendly bilateral relations.

Embassy in Bahrain Officially Opens 21 Mar

OW2103194090 Beijing XINHUA in English
1924 GMT 21 Mar 90

[Text] Manama, March 21 (XINHUA)—Bahrain attaches great importance to developing friendly and cooperative relations with China, said Foreign Minister Shaykh Muhammad Ibn-Mubarak Al Khalifah at the opening ceremony of the Chinese Embassy here.

The foreign minister paid tribute to the just-concluded visit to Bahrain by his Chinese counterpart Qian Qichen and the establishment of embassies in each other's capitals.

He said the friendly and cooperative relations between the two countries are satisfactory and will be further strengthened.

The opening ceremony was presided over by Quan Zihuai, Chinese ambassador to Bahrain. Senior Bahraini officials, foreign diplomats and journalists were present at the ceremony.

China and Bahrain established diplomatic relations on April 18, 1989.

Sub-Saharan Africa

Li Tieying at Namibian Independence Celebration

OW2103143990 Beijing XINHUA in English
1316 GMT 21 Mar 90

[Text] Beijing, March 21 (XINHUA)—African diplomats in Beijing jointly held a grand reception here this evening to celebrate the independence of Namibia, Africa's last colony.

Jean Jacques Maurice, head of African diplomatic missions in Beijing and also ambassador of the Democratic

Republic of Madagascar, said in his speech that the independence of Namibia marked an end to the struggle by the African people for the thorough liberation from colonialism in Africa.

He also expressed his gratitude to international communities, organizations and countries for their help to the Namibian people.

Among 500 Chinese and foreign guests at the reception were Li Tieying, Chinese State Councillor and minister in charge of the State Education Commission, and Qi Huaiyuan, Chinese vice foreign minister.

Wu Xueqian Arrives in Gabon for Talks

OW2203030290 Beijing XINHUA in English
0142 GMT 22 Mar 90

[Text] Libreville, March 21 (XINHUA)—Chinese Vice Premier Wu Xueqian arrived here today for a six-day visit following Namibia's independence celebrations.

During his visit, Wu will be received by President Omar Bongo and hold talks with Foreign Minister Ali Bongo on bilateral relations and problems of common interest.

West Europe

Finnish Environmental Delegation Visits Hebei

SK2103135790 Shijiazhuang HEBEI RIBAO
in Chinese 13 Feb 90 p 1

[Text] A three-member delegation headed by Mr. Runo Salvasaly [name as published], chairman of waters and environment committee of Finland, arrived in Baoding on the afternoon of 13 February. Vice Governor Zhang Runshen cordially met with members of the delegation and hosted a dinner party for them.

As a country with numerous lakes, Finland has accumulated a lot of experience in environmental protection. During this visit, the delegation will be devoted to investigating and studying water pollution in Baiyangdian and the upper reaches of Baoding He, and to further appraising the feasibility of the project of protecting the water quality of Baiyangdian.

During the cordial and friendly reception, Vice Governor Zhang Runshen expressed the hope that the Baiyangdian water protection project would be the crystallization of the friendship between the Chinese and Finnish peoples. Runo Salvasaly, head of the delegation, expressed the hope that this project would be carried out step by step and would lay a good foundation for cooperations between the two sides in the future.

Also joining the reception were responsible persons of Baoding Prefecture, Baoding City, and pertinent departments directly under the provincial administration.

Tianjin Builds 'China Town' in Britain

*OW2203085390 Beijing XINHUA in English
0643 GMT 22 Mar 90*

[Text] Tianjin, March 22 (XINHUA)—Tianjin, the third largest industrial city in China, is building a "China town" for a British firm.

The project is undertaken on an agreement signed by the municipal government and the London Docklands Development Corporation two years ago.

The town, covering an area of 6.65 hectares in the West End of London, includes a cultural center, a large department store, office buildings, a street flanked by Chinese restaurants and gardens. All structures will be built in a distinctive Chinese style.

Tianjin has opened factories and trade agencies in 24 countries and regions with a total investment of 24.58 million U.S. dollars. Most of the enterprises in operation abroad are profitable.

Political & Social

Further Reportage on Seventh NPC Session

XINHUA 'Backgrounder'

OW1903153390 Beijing XINHUA in English
1435 GMT 19 Mar 90

["Backgrounder: China's National People's Congress"—XINHUA headline]

[Text] Beijing, March 19 (XINHUA)—The National People's Congress (NPC) is the highest organ of state power of the People's Republic of China (PRC). It is elected for a term of five years, and meets in session once a year.

The functions and powers of the NPC include: amending and supervising the enforcement of the constitution; enacting and amending basic statutes and other laws; electing the president and the vice-president of the PRC; deciding on the choice of the premier of the State Council upon nomination by the president and on the choice of the State Council members upon nomination by the premier; electing the chairman of the Central Military Commission and deciding on the choice of all other members of the commission upon nomination by the chairman; electing the president of the Supreme People's Court and the procurator-general of the Supreme People's Procuratorate; examining and approving the plan for national economic and social development and the state budget and the reports on their implementation; approving the establishment of provinces, autonomous regions and municipalities directly under the central government; deciding on the establishment of special administrative regions and the systems to be instituted there; deciding on questions of war and peace; and exercising such other functions and powers as the highest organ of state power should exercise.

The permanent body of the NPC is its Standing Committee, which is elected by the congress. When the congress is not in session, its Standing Committee exercises the highest state power. The important day-to-day work of the Standing Committee is handled by executive meetings with the participation of the NPC Standing Committee chairman, vice-chairmen and secretary-general.

There are permanent and temporary special committees under the NPC. When the congress is not in session, the special committees work under the direction of the NPC Standing Committee. The seventh NPC has established the following committees: the nationalities committee, the law committee, committee for interior and judicial affairs, financial and economic committee, education, science, culture and public health committee, foreign affairs committee and Overseas Chinese committee.

Since the founding of the People's Republic of China in 1949, the National People's Congress has had seven terms of office.

The First Session of the First NPC was held in September 1954; the First Session of the Second NPC, April 1959; the First Session of the Third NPC, January 1965; the First Session of the Fourth NPC, January 1975; the First Session of the Fifth NPC, March 1978; the First Session of Sixth NPC, June 1983; and the First Session of the Seventh NPC, in March 1988. The Third Annual Session of the Seventh NPC will open tomorrow.

Liu Shaoqi, Zhu De, Ye Jianying and Peng Zhen had successively served as chairmen of the previous NPC Standing Committees, and Mao Zedong, Liu Shaoqi and Li Xiannian had served successively as president (chairman) of the PRC.

The present NPC Standing Committee chairman is Wan Li, and the president of the PRC currently in office is Yang Shangkun.

Personnel Changes Expected

HK2103042190 Hong Kong TANG TAI in Chinese
No. 16, 17 Mar 90 p 7

[Article by Wang Sung-po (Beijing) (3769 2646 2672): "On Personnel Changes To Be Effected During the Forthcoming Session of the National People's Congress"]

[Text] The Third Session of the Seventh National People's Congress [NPC] will be held soon, and one of the noteworthy issues is transfer of personnel. Although Deng Xiaoping has said that it is not appropriate to have too big a change in the senior-level personnel arrangements at this meeting in order to avoid overreaction, there are many rumors about transfer of personnel, and some are very likely. According to information, those that have been discussed at the Sixth Plenary Session of the 13th CPC Central Committee are as follows:

Tian Jiyun Wants To Resign

According to information, the decision on transferring Guangdong Governor Ye Xuanping northward to the central authorities to serve as vice premier has almost been settled now. According to an informed source, early this year Tian Jiyun had submitted an application for resignation which had been approved, but he nevertheless took part in the Conference on Special Economic Zones held in Shenzhen afterward. This was because the persons in power had hoped that he could step by step hand over his job, avoiding the "cutting-across-the-board" approach. Therefore, he must wait for the approaching NPC, which will dismiss him. Although it is said that Ye Xuanping is not to replace Tian Jiyun when he takes the future office of vice premier, in reality he is to take over Tian Jiyun's work.

Ye Xuanping Has No Alternatives But Must Go to Beijing

Perhaps some people will ponder: It has long been alleged that Ye Xuanping will be transferred upward to the central authorities. He has persistently resisted, the main reason being that he differs from Li Peng in opinion and way of handling things, so why is he willing to go to Beijing this time? The informed sources said that first, the central authorities have issued a "firm order" which means choice between Beijing or retirement; second, Li Peng has made concessions on some economic policies (Yao Yilin has played a major coordinating role here). In the past, Li Peng would insist on the retrenchment policy, and would not allow adoption of flexible measures in the light of local conditions; even the pace of development in Guangdong has to be slowed down, and for this reason Li and Ye opposed each other in opinion. Recently, Ye Xuanping again proposed a different opinion on the problem of retrenchment, citing the development in Guangdong as an example. Last year, the newly added purchasing power in the province hit 14 billion yuan, whereas the newly added output value was only 10 billion yuan. If the economy is to be reduced, it will only bolster inflation in the province and bring other problems. Li Peng has no plans to deal with the economic problems nor any of his own ideas, and eventually made some concessions under the coordination of Yao Yilin. Also, due to the pressure from various environments, Ye Xuanping must leave for Beijing.

In addition, it has been alleged that Wu Xueqian, another vice premier, will also resign; to replace him, State Councillor Zou Jiahua will move upward.

New Arrangement for Chen Xitong?

The information also said that another eye-catching personnel transfer would be the possible replacement of Minister of Public Security Wang Fang by Beijing Mayor Chen Xitong. The dismissal of Wang Fang is something which will take place sooner or later, the main reason being that he has been defined by Li Peng's group as a "pro-Zhao clique." Furthermore, since 4 June last year, quite a number of the prodemocracy people have successfully escaped abroad, and Wang Fang is certainly the one who must be held responsible. Originally, even if some ordinary people have escaped abroad the authorities may not necessarily have looked at Wang Fang, but among the first group of people who have escaped abroad was Chen Yizi, an important aide to Zhao Ziyang, and a number of members of the organs for restructuring economic system. Li Peng has sent for Wang Fang four times, demanding that he make a report. Wang Fang could not find a word, and Li Peng blamed Wang more. Also, after Chen Yizi escaped, Chen's secretary was arrested for investigation and only recently was the investigation finished and the secretary released. However, why should they choose Chen Xitong to replace Wang Fang? First, Chen Xitong has been very positive during the "quelling of the rebellion" and had

done a persistently good performance from the beginning to the end. Second, he has been serving as Beijing's mayor for quite a long time and Beijing has been the focus of mass movement; it is hoped that in the public security aspect, he can also "grasp Beijing well, so as to stabilize the whole country."

The State Economic Commission Is Restored In New Guise

In addition, within the system of the State Council there will be some changes in its organs. The former State Economic Commission, which was abolished during the organizational reform in the past, might be restored "in new guise" with the possible name of "Production Commission." Originally, in the past the Production Commission was only an internal coordinating organ, coordinating cooperation among various ministries and commissions, and the responsible person for this work at that time was Zou Jiahua who is now upwardly mobile. According to information, today's Production Commission will be an organ at the ministerial level, and its director will be Ye Qing [0673 7230].

Ye Qing, born in 1933, is a native from Jiangsu's Suzhou. In 1953 he graduated from Huainan Professional School of Coal Mining Industry, and in 1956 he joined the CPC. He has served as technician and assistant engineer in the Design Department, Jixi Mining Bureau; engineer-in-charge responsible for pit No. 11 at Chengzhihe mine; assistant chief engineer at Chengzhihe mine; assistant chief engineer, production department head, deputy bureau chief, and chief engineer at Jixi Mining Bureau; vice minister in the Ministry of Coal Industry and its chief engineer; and vice minister of the State Economic Commission. Since 1988, he has been serving as vice minister of the State Planning Commission and its senior engineer.

Parties Called 'Mere Ornaments'

HK2103015790 Hong Kong MING PAO in Chinese
12 Mar 90 p 7

[Special article by Hu Kan (5170 0170): "Being Mere Ornaments in CPC's Eyes, People from Democratic Parties Will Not Play a Great Role even if They Join the Government"]

[Text] The annual sessions of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] will begin soon. How the democratic parties on the mainland will participate in government and discuss state affairs is a question many people are talking about at present. However, the news from Beijing shows that even if a number of people from the democratic parties or people without party affiliation were appointed to official offices in the government at the coming NPC session, they would still only play a role as mere ornaments.

After the CPC published its document on developing and improving the multiparty cooperation and political

consultation system under the leadership of the CPC, the eight democratic parties on the mainland and the national federation of industrialists and businessmen all held special meetings to study and discuss the document and also seriously made preparations for selecting their representatives to the government. However, due to the influence of the 4 June incident last year, their vitality has been seriously sapped. Some senior- and middle-level cadres of these parties disagreed with the practice of the CPC and lacked enthusiasm for joining the government and discussing state affairs. Moreover, some able senior- and middle-level cadres of the democratic parties were rather deeply involved in the prodemocratic movement last year, and this added difficulties to the selection of their representatives. Some senior leaders of the democratic parties held that in China's current political atmosphere it is hard for members of the Communist Party to play a role in promoting democratic politics, still less for members of the democratic parties who were always treated by the CPC as "fellow travellers of the bourgeoisie and the petty bourgeoisie." Now the CPC has called for strengthening multiparty cooperation. Its real intention was not to allow the democratic parties to join government and discuss government work or to play a full role as political parties. Its main intention was to use them to mitigate the political contradictions.

The democratic parties' participation in the administration of state affairs is an important part of the CPC's political structural reform. Deng Xiaoping once pointed out that the key to political structural reform lies in the improvement of the two most important systems, namely, the people's congress system and the multiparty cooperation and political consultation system under the leadership of the CPC. In 1985 and 1986 when the political atmosphere was still comparatively relaxed, there was a minor upsurge of participation in the handling of state affairs among people of the democratic parties. At that time, not only were those from the democratic parties active in the NPC and the CPPCC, but some of them even proposed that since the political competence and educational conditions of the NPC deputies were generally too low, China's political structure should be changed with the CPPCC being turned into the senate and the NPC being turned into the house of representatives.

Beginning in the second half of 1988, another minor upsurge of participation in government and political activities appeared among the democratic parties. They submitted a proposal for formulating the political party law which explicitly stipulates the political status of various democratic parties and the participation of their representatives in the government. Under this pressure, the CPC's Central United Front Work Department held several rounds of talks with the representatives of the democratic parties. In January 1989, Deng Xiaoping issued another instruction: "The role of the democratic parties should be changed from ornaments into parties participating in government." After that, the CPC authorities actively made preparations for including

representatives of the democratic parties in the government. Before last year's NPC session began, it was even rumored that two-thirds of the government posts would be held by people from various democratic parties. However, because the power struggle inside the CPC was getting more and more intense, the faction headed by Zhao Ziyang and the faction headed by Li Peng were involved in both open strife and veiled struggle. The plan for including democratic party representatives in the government was cast aside.

After the incident on 4 June in Beijing, a fundamental change occurred in China's political atmosphere. The democratic parties on the mainland did not make any preparation for participating in government, so it is hard for them to do anything significant in the coming NPC session.

RENMIN RIBAO Editorial

HK210302490 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 20 Mar 90 p 1

[Editorial: "Get Together To Discuss Affairs of State, Promote Stability and Development; Congratulations to the Opening of the Third Session of Seventh National People's Congress"]

[Text] The Third Session of the Seventh National People's Congress opens in Beijing today. This session will hear and discuss the report on the work of the government as well as other reports. It will also discuss the "Basic Law of the Hong Kong Special Administrative Region of the PRC (Draft)" and the "Amendment to the Law of the PRC on Sino-Foreign Joint Venture (Draft)." It is an important session which attracts attention at home and abroad. We congratulate the grand opening of this session, and wish it every success.

The past year was an extraordinary one in the history of the People's Republic. We have curbed the turmoil, quelled the counterrevolutionary riot that took place in Beijing, and maintained national and social stability. Workers, peasants, and intellectuals throughout the country and people of all walks of life in the society have overcome obstructions, waged struggles in unity, and attained quite remarkable achievements in implementing the policy of improving the economic environment, rectifying economic order, and deepening reform. The national economy is improving. The basic line of upholding the four cardinal principles and persisting in the open policy and reforms with economic construction as the central task has struck even deeper roots in the hearts of the people. A new turn for the better has appeared on the political and ideological front, and the trend of thought for bourgeois liberalization has been criticized, refuted, and resisted. Ideological and political work was once again given priority. The situation of "stressing material civilization while neglecting spiritual civilization" as pointed out by Comrade Deng Xiaoping has been greatly improved. A good beginning has been noticed in carrying out practices to punish those who engage in corruption and to help keep the government

clean and honest—practices about which the people are gravely concerned. As far as the people of all nationalities throughout the country are concerned, the first spring of the nineties is one that fills people with hope and inspires them to forge ahead courageously.

While fully reaffirming the achievements made during the past year, we should also realize that there remain difficulties and problems on the road of advancement. Profound problems in the economic sphere that started to accumulate many years ago such as structural dislocation in production, irrationality of the economic system, lack of coordination in the operational mechanism, and low economic efficiency are far from being solved. In the course of improving the economic environment and rectifying economic order, new problems such as sluggish market sales and the excessively rapid decline of the rate of industrial growth have again cropped up. Some cases involving cadres who engaged in corruption and accepted or offered bribes in violation of laws and party discipline have not been punished according to law. The masses feel extremely unhappy about this. All these problems should be given full attention, and should be conscientiously dealt with and earnestly solved.

The tasks for 1990 facing all the people in the country are extremely arduous. To march forward on the crest of victory, overcome temporary difficulties, and score new victories, it is essential to implement continuously the party's basic line in the initial stage of socialism in an overall manner; and unswervingly and steadily improve the economic environment, rectify economic order, and deepen reform. To achieve our goal of struggle, it is most important to safeguard national and social stability and resolutely maintain the political situation characterized by stability and unity. The turmoil that took place between spring and summer last year taught us a negative lesson that without a stable environment nothing can be accomplished.

The system of the people's congress is China's basic political system. It reflects the fundamental nature of our country and ensures politically and organizationally that all the people will truly become the masters of our nation. It will not only help the people exercise their own powers and fully arouse the enthusiasm and creativity of the masses, but will also benefit the state organs in sharing the work and cooperating with each other in building socialism in a coordinated manner. Our experience during the past 40 years since the founding of New China, particularly in the past decade, proves that the system of the people's congress that tallies with China's actual conditions is conducive to the country's long-term stability and to the prosperity of the Chinese nation and the happiness of the people. We must persistently advocate this basic political system. A handful of advocates of bourgeois liberalization attacked the Communist Party leadership and slandered the system of the people's congress in an attempt to practice in China the multi-party and parliamentary system of Western capitalist countries. They staged a disgusting performance in the

political turmoil last year. Naturally, they failed. During the fierce political struggle, the NPC and the local people's congresses at various levels have upheld socialist democracy and the socialist legal system, and supported in a clear-cut manner the series of measures adopted by the party Central Committee and the State Council in curbing the turmoil and quelling the riot, played their role well as state organs of power, and made major contributions to stabilizing the overall situation. Facts have shown that upholding the system of the people's congress is completely in keeping with upholding the leadership of the Communist Party leadership and adhering to the socialist road. To ensure the country's long-term stability and steady development of construction and reform, it is necessary to draw a demarcation line between socialist democracy on the one hand and capitalist democracy, ultra-democratization, and anarchy on the other; resolutely uphold and improve the system of the people's congress; firmly oppose the trend of thought that negates the system of the people's congress; eliminate various erroneous ideas that ignore and weaken the role and functions of the people's congress; and strive to bring into full play the role of state organs of power at all levels in the political life of the state.

The once-a-year NPC is of great significance in helping all the people in the country exercise their powers to become the masters of their own fate, and in ensuring political, economic, and social stability and development of the state. The constitution stipulates: "Deputies to the NPC should maintain close contact with the units that elected them and with the people, listen to and convey the opinions and demands of the people, and work hard to serve them." Recently the "Decision on Strengthening the Ties Between the Party and the People" of the Sixth Plenary Session of the 13th CPC Central Committee called on the entire party to restore and give full play to the fine tradition and work style of maintaining close ties with the masses. The people's deputies come from among the people. They represent the people and work for the people. All people's deputies must further strengthen their ties with the masses so that the people's congresses and their standing committees will do a still better job in representing the people and accepting supervision by the people. At the people's congress, the people's deputies faithfully reflect the will of the people and energetically express their views and offer suggestions regarding the general principles and various types of work of the country. This is a sacred responsibility imposed on each deputy by the Constitution. We believe that the deputies will live up to the trust of all the people in the nation, earnestly exercise their powers, unite as one, and make concerted efforts in triumphantly fulfilling all the items on the agenda of the session and turning the session into an inspiring meeting of democracy, unity, and victory.

Deputies React to Work Report

OW2003185290 Beijing XINHUA in English
1833 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—Many deputies to the Chinese National People's Congress (NPC) were impressed by Premier Li Peng's government work report which they said had good analysis of the problems and difficulties China is facing.

They heard the report this morning in the Great Hall of the People. But the text of the report was given to the deputies two days ago.

Liang Shuwei, a deputy from Shandong and director of the provincial economic commission, said that the analysis in the report on the country's problems is sound and the series of measures proposed to deal with them are realistic and practical.

He said that his province is also facing the problems the premier mentioned such as sluggish market, slow industrial growth and the increase of enterprises running at half capacity or brought to a standstill.

Yuan Xuefen, a Shaoxing opera singer from Shanghai, said the government work report did not avoid problems. "As long as the problems are made known to the public," she said, "I believe the people will join their efforts to find solutions to them."

Chen Deming, vice-chairman of the Shanghai Federation for Returned Overseas Chinese, said that most people are satisfied with the series of measures the government has taken to stabilize the economy and build a clean government, which all reflected the people's demand and wishes.

Thanks to effective measures by the government, some Shanghai deputies told XINHUA, citizens in this huge metropolis now have less complaints about pricehikes and corruption as compared with the previous years.

Many deputies have expressed the same comment that the government was right to list the preservation of the country's stability as "a matter of paramount importance".

Wu Huifang, vice-president of the Trade Union in Shanghai General Petrochemical Works, said that workers are greatly concerned about the country's stability. Her factory employs some 60,000 workers.

"Only with stability can the country preserve the results achieved through reforms in the past decade," she stressed, adding that the future of enterprises and personal interests of the workers all depend on the country's stable conditions.

Nie Bichu, mayor of Tianjin, stressed the importance of building a clean and honest government, which he said is an important factor of social stability.

"A government can win popular support only when it is clean and honest and serves the people wholeheartedly," he said.

Wang Xiuqing, a postwoman from northwest China's Qinghai Province, complained that the public order is still not good. She urged the government to take effective measures to address the problem.

Senior engineer Luo Yifeng of the Beijing Synthetic Fibre Experimental Factory, has visited some 600 local residents since last November. He said that most people he visited were satisfied with the fact that public order quickly returned to normal in Beijing and rest of the country in the wake of quelling the anti-government riots.

Older people among them, Luo said, still have fresh memories of the chaotic "Cultural Revolution" (1966-76) and believe that if the turmoil last year was not checked, it would last for a long time just like the "Cultural Revolution".

"Common people truly want to see the country stable," he said. "They have suffered enough from the turmoil and if the country is plagued with chaos, it is the common people who will suffer."

Some deputies from the delegation of the People's Liberation Army shared the opinion that the armed forces should serve as an important factor in safeguarding stability.

Lin Wanzeng, an officer who took part in quelling the anti-government riots in Beijing last year, held that the armed forces, while guarding against foreign aggression, must not neglect their function to maintain domestic social stability and protect the people's peaceful labor.

Major General Hong Jiade, deputy director of the political department of the Nanjing Military Command, stressed that to help maintain state stability, the armed forces must stabilize themselves.

"The armed forces must strengthen political and ideological work to ensure that they are always politically qualified," he said.

Bo Yibo on Report

OW2003164290 Beijing XINHUA in English
1554 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—"When China's own affairs are run well, the nation will be very promising, and this is the central task for us," Bo Yibo, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, said here today.

Discussing Premier Li Peng's report on the government work at a panel discussion, 82-year-old Bo deemed the on-going Third Session of the Seventh National People's Congress (NPC) would play a vital role in the country's development.

Bo, a NPC deputy from Shanxi Province in north China, said China needs a stable environment for its construction. "As deputies for the people, we should take the lead in a hard struggle for running China's domestic affairs well," he said.

Bo listed five major issues to be handled with great efforts:

- develop the national economy, especially agriculture,
- restore close ties like fish and water between the Communist Party and the masses,
- adhere to the four cardinal principles earnestly study Marxist theory,
- strengthen the building of the Army, and
- strengthen socialist democracy and the socialist legal system.

He urged the 48 million Communist Party members to serve the people wholeheartedly, be people's intimate friends, go among the masses to have a good understanding of their lives and their problems.

The veteran also urged the cadres to read books written by Marx, Engels, Lenin, Mao Zedong and Deng Xiaoping, and take the Marxist-Leninist stand, views and methods in handling affairs.

Bo said that to ensure long-term stability in China it is necessary to build the Army well, and socialist democracy and the socialist legal system are an important part of socialism with Chinese characteristics.

"If the five major issues are handled well, we will be invincible," he stressed.

Deputy Presents Proposals

*OW1803153190 Beijing XINHUA in English
1447 GMT 18 Mar 90*

[Text] Beijing, March 18 (XINHUA)—Senior lawyer Wang Gong, a deputy to the National People's Congress (NPC), today submitted 40 written documents containing proposals, criticisms and opinions to the Secretariat of the Third Annual Session of the Seventh NPC.

His proposals include the establishment of a special committee supervising the exercise of state power by the NPC and a regulation to make a number of professional NPC deputies who would be freed of other duties.

Wang has also submitted two motions concerning the formulation of laws on conferring state honorary titles and on administrative legislation.

"A competent deputy should fully represent the people's wishes," said the 61-year-old lawyer from Bangbu city of Anhui Province.

Elected in January 1988, Wang is one of the few professional lawyers among the 3,000-odd NPC deputies. During the previous two annual NPC sessions, he had proposed laws be made to guide the control of tobacco harms, the supervisory role of people's congresses and

private enterprises. His motions have been adopted and the proposed laws are now in the making.

During the annual NPC session in 1988, Wang urged judicial organs to redress three cases which he found to be misjudged. With the intervention of the NPC Standing Committee and relevant departments, the cases have been rehandled.

"I will report the results to fellow deputies during this annual session," Wang said.

Wang said he is satisfied with the answers to most other suggestions he made during the previous sessions.

"NPC deputies have played an important role in advancing government work by offering suggestions and criticisms," he said.

Summing up his experience in serving as an NPC deputy, Wang said a deputy should keep close ties with his constituency and citizens of various circles and have a good understanding of their minds, act as a bridge between the people and the decision-making state organs, have a strong sense of responsibility for participating in state affairs, and help the NPC Standing Committee and government departments in handling people's complaints.

Beijing Residents View Session

*OW1803153390 Beijing XINHUA in English
1450 GMT 18 Mar 90*

[Text] Beijing, March 18 (XINHUA)—Residents in the Chinese capital expect the coming session of the National People's Congress (NPC) to give people of the country courage and confidence in overcoming difficulties.

The Third Session of the Seventh NPC is slated to open next Tuesday.

Liu Yiliang, an electronic parts factory director, told XINHUA that people have learned from last year's political unrest that China needs stability and all enterprises need a stable environment.

"We hope the NPC, China's highest legislative body, will give full play to socialist democracy and hear people's opinions as much as possible," he said.

Graduating students in the law and philosophy departments of Beijing University held that though some progress has been made over the past ten years in fostering socialist democracy and improving the legal system, it is still a far cry from what the communist party and the people expect or what is required by the modernization program.

They express the hope that the coming NPC session will do something to further the country's democracy and legislation.

Hua Yuzhen at the Beijing Higher People's Court said that the drive against "six evils" (prostitution, porn, abduction and sale of women and children, drug abuse, gambling and swindling through feudal superstitious practices) and the screening of companies are acclaimed by the masses.

But, Hua said the judicial organs find it difficult to punish these law-breakers. There [words indistinct] specific legal definitions in this regard. On the other hand, law enforcement is not strict enough.

Beijingers also wish to see a closer relationship between the NPC deputies and the masses.

They say since deputies are representatives of the people, they should keep contact with as many people as possible, know what they support and what they oppose, and pass this onto the NPC Standing Committee or the government. In addition, they have the duty to help the general public know the principles and policies of the party and government.

Yang Wana with the State Nationalities Affairs Commission said that people's deputies submit many motions every year. But, some of them travel from one department to another without any outcome.

She expressed the hope that the upcoming NPC session will work out effective measures to ensure motions will be dealt with more seriously.

Students, Teachers on Session

OW2103152890 Beijing XINHUA in English
1502 GMT 21 Mar 90

[Text] Beijing, March 21 (XINHUA)—A stable social and political environment in China is a prerequisite for socialist modernization.

This is a common conclusion university students and teachers in Beijing have drawn in discussing Premier Li Peng's Government Work report delivered on the first day of the Third Session of the Seventh National People's Congress [NPC] which opened here yesterday.

Li Hong, a law student at prestigious Beijing University, said, "Almost every university student in China desires social and political stability."

As a senior law student Li is also quite keen on the construction of clean government. "Construction of clean government, as it is related to the image and reputation of the ruling party, should be carried out with a legal system."

Many students admitted the government has made painstaking efforts to improve the economic environment and straighten out the economic order in the past year and has achieved results.

Yang Abang, a Miao nationality teacher from the foreign languages department of the Central Institute for

Nationalities said, "Education is a significant question concerning the development of minority nationalities."

She noted that special people should be trained for minority nationality areas according to specific needs.

Yang Qifan, a Tujia nationality student from central China's Hunan Province who is also a student at the institute, said, "Officials should go down to the grassroots often, otherwise they might make unrealistic decisions and could hardly meet the demands of ordinary people."

Some students and teachers also expressed concern about family planning, one of the 10 tasks raised in the work report.

Gu Sancun, a Manchu nationality student who used to be a deputy director in charge of family planning in a town in northeast China's Liaoning Province, said: "It is very hard work in the countryside. Grassroots officials hope the government will soon pass some legal provisions to guarantee the smooth performance of the work."

Further on Hu Qili

HK2103022790 Hong Kong SOUTH CHINA
MORNING POST in English 21 Mar 90 p 12

[By Chris Yeung]

[Text] A sacked Politburo member, Mr Hu Qili, appeared publicly for the first time since the June 4 military crackdown yesterday, saying mainland people would support the continued pursuit of an open and reform policy.

Speaking to reporters before the opening of the new session of the National People's Congress (NPC), Mr Hu said he was participating in the plenum to fulfill the duties of an NPC deputy.

"I'm still a people's representative [of Tianjin in the NPC]," he said.

Mr Hu, a close ally of the former party chief, Mr Zhao Ziyang, was ousted from top party posts because of alleged involvement in what Beijing called the counter-revolution rebellion in June.

When asked if he would return to the Politburo, Mr Hu said: "The matter does not lie with me."

"Everything is now fine. My health is all right. I'm now having normal studies and learning."

When asked if he has met Mr Zhao who applied for leave for the NPC session, Mr Hu said: "I haven't seen him recently. I don't know his latest condition."

Song Ping Urges Self-Reliance

OW2203010490 Beijing XINHUA Domestic Service
 in Chinese 1659 GMT 21 Mar 90

[By reporters Zhu Guoxian (2612 0948 6343) and Zheng Zhanguo (6774 2069 0948)]

[Text] Beijing, 21 Mar (XINHUA)—While examining the Government Work Report this afternoon with the delegation from Gansu, National People's Congress [NPC] Deputy Song Ping, a Standing Committee member of the CPC Central Committee's Political Bureau, said: Under the current situation we should build up full confidence, consider our problems thoroughly, and enhance the spirit of self-reliance and diligence in order to improve our country's economy.

After hearing a briefing by Wang Deyong, a deputy from Jinchuan, on how Jinchuan Nonferrous Metals Corp. achieved international fame through self-reliance and hard work, Song Ping stated: Jinchuan's construction experience illustrates one point. At present, we face enormous problems and pressure because of the economic sanctions imposed by some Western countries on our nation. However, these problems and pressure can inspire us to work hard for China's prosperity. The Chinese people have the ambition and ability to build their country well. We should, of course, continue the policy of opening to the outside world and earnestly learn from other countries. As long as we work hard and redouble our efforts, China can advance its cause of socialist modernization.

Song Ping noted emphatically: National stability is the most important thing. The fundamental interests of people throughout the country depend on stability. Nothing can be achieved without a stable situation. This is an historical experience. Conscientiously safeguarding the stability of the country and society should become an important common norm for all the people in China.

Song Ping said: Although economic improvement and rectification have yielded initial success, there are still many potential problems. We must not neglect these problems. Currently, the market is sluggish and commodity prices are beginning to stop rising. We should cash in on this opportunity and go all-out to readjust the production and industrial structures and improve the economic efficiency of enterprises. The loans and funds newly allocated by the state should be applied to sectors where they are most needed and can promote industrial restructuring. We must not use them in an egalitarian way; nor must we repeat the previous mistake of simply expanding the investment scale [to soak up additional funds]. Support should be lent to enterprises with good economic returns, while those with poor economic performance should be urged to improve or switch to other lines of production so that the economy can be put into a benign cycle.

In his speech, Song Ping also stated: The key to ensuring the success of the various tasks outlined in Premier Li

Peng's Government Work Report lies in effective implementation. It is necessary to organize the comrades of economic departments to seriously conduct research and map out specific measures for readjusting the industrial structure. It is essential to specify the sectors and enterprises to be supported or restricted, and to work out ways to lend support or impose restrictions.

Song Ping also touched on last year's turmoil and counterrevolutionary rebellion and discussed the importance of strengthening party leadership, intensifying ideological and political work, and opposing bourgeois liberalization. He placed special emphasis on the importance of stepping up education of the younger generation.

National Economic Report Issued

OW2103113690 Beijing XINHUA Domestic Service
 in Chinese 0803 GMT 21 Mar 90

[Text] Beijing, 21 Mar (XINHUA)—The Third Session of the Seventh National People's Congress [NPC] held its second plenary meeting in the Great Hall of the People this morning.

At the meeting, Zou Jiahua, state councillor and minister of the State Planning Commission, delivered a report on the implementation of the 1989 National Economic and Social Development Plan and on the draft plan for 1990. Wang Bingqian, state councillor and minister of finance, delivered a report on the execution of the 1989 State Budget and on the draft State Budget for 1990.

The meeting decided to accept Deng Xiaoping's resignation from the chairmanship of the the Central Military Commission of the People's Republic of China.

At 0900 [0100 GMT], Xi Zhongxun, executive chairman of the session, declared that 2,692 deputies were present, forming a quorum.

At the request of the State Council, Zou Jiahua first delivered a report on the implementation of the 1989 National Economic and Social Development Plan and on the draft plan for 1990.

Zou Jiahua said: Last year's plan was well implemented. The national economy is improving in the course of improving the economic environment, rectifying the economic order, and deepening the reform. The improvement is noticeably shown by such facts as the following: The overheated economy of several consecutive years has cooled down, excessive investment in fixed assets has been somewhat reduced, inflation has been brought under control, retail prices are decreasing month after month, and social production keeps growing properly.

Zou Jiahua cited achievements in the following several respects: Grain harvests were good and development continued in agriculture, forestry, animal husbandry, sideline undertakings, and fishery. The excessive industrial growth rate of several consecutive years has slowed down. The scale of investment in fixed assets has been

brought under control, and a number of large and medium-sized construction projects have been completed and put into operation. With quite ample commodity supply in the market, the increase of retail commodity prices was smaller than that in the previous year. The import-export trade grew steadily, and continued progress was made in economic and technological exchanges. A steady development was made in scientific and technological, educational and cultural, public health, and sports undertakings. Consumption demand in the society was somewhat brought under control.

Zou Jiahua pointed out: Although remarkable achievements have been made in the task of improving the economic environment and rectifying the economic order, many problems and difficulties still exist in our economic life. Some deep-rooted problems obstructing steady economic development have not yet been solved completely. Some basic factors causing inflation have not yet been eliminated. With new and old contradictions mingled together, the task of improving the economic environment and rectifying the economic order remains very arduous. We must affirm our achievements; face difficulties squarely; see the favorable conditions and bright prospects of economic development; enhance our confidence; sum up experience; improve our work; and continue to firmly push forward the task of improving the economic environment, rectifying the economic order and deepening the reform.

On the major goals and tasks of the 1990 plan, Zou Jiahua said: The guiding principle for the 1990 plan is one of firmly implementing the party's basic line in the initial stage of socialism; persistently taking economic construction as the central task; upholding the four cardinal principles and the policy of reform and opening to the outside world; mobilizing all positive factors; uniting the people of all nationalities throughout the country; enhancing vigor; overcoming difficulties; continuing the task of improving the economic environment, rectifying the economic order and deepening the reform; and working hard for a further steady political, economic and social development in China. On the precondition that the political situation of stability and unity is consolidated and enhanced, we should concentrate on economic development.

Zou Jiahua said: Based on the above guiding principle, the major goals of the 1990 National Economic and Social Development Plan are:

- A proper economic growth rate is to be maintained. On the basis of raising economic efficiency and technological level, the total agricultural output value is to increase by 4 percent, the total industrial output value is to increase by 6 percent, and the gross national product is to increase by 5 percent.
- We will strive to further reduce the inflation rate and we plan to control the rate of increase of national retail commodity prices at a level below that of the previous year.

- We will set the scale of fixed assets investment in society at 410 billion yuan, and we will also further adjust the investment structure according to the state's industrial policy.
- We will continuously exercise tight control on credit scale and on issuance of currency, and we will strive to lower the state budgetary deficit below the level of the previous year.
- We will strive to maintain basic balance in foreign exchange revenues and expenditures in the current year.

He said: The major tasks for the 1990 plan are as follows: Concretely strengthen agriculture; strive to achieve stable growth in such major crops as grain and cotton; make great efforts to promote market sales; greatly adjust structure and raise economic efficiency; maintain proper growth of industrial production; continuously keep the scale of investment in fixed assets under control; readjust investment structure; make good arrangements for the domestic market and for people's livelihood; continuously control the overall level of commodity prices; persist in opening to the outside world; strive to readjust the structures of import and export commodities; further develop foreign trade and expand economic and technological exchanges; further develop science, education, culture, public health, and sports; and strictly control population growth.

Zou Jiahua discussed in his report the need to persist in integrating the efforts to improve the economic environment and rectify the economic order with in-depth reform of the economy. The report also called for making efforts to fulfill the 1990 plan. He said: The tasks of the 1990 National Economic and Social Development Plan are rather arduous. In order to smoothly realize the tasks set forth in the plan, we should follow the guidelines of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee; further unify thinking; and correctly handle the relations between the improvement of the economic environment, rectification of the economic order, and in-depth reform and bring about their close integration and mutual promotion. First, we should persist in and perfect the contracted managerial responsibility system in enterprises. Second, we should strengthen planning guidance and management in the area of production and circulation. Third, we will continuously deepen the reform in the structure of fixed assets investment. Fourth, we will strengthen and improve the structure and system of control at the macro level according to the principle of combining planned economy and market regulation.

Zou Jiahua pointed out: Fulfilling the tasks of this year's National Economic and Social Development Plan will be arduous but glorious. We will surely and completely realize the 1990 plan if we steadfastly implement the basic lines of taking economic construction as the central task, upholding the four cardinal principles, and persisting in reform and opening to the outside world; if we persist in relying on and closely uniting all nationalities; if we carry forward glorious tradition; if we raise our

spirit and work hard; if we rely on our own efforts; and if we carry out hard struggle.

Following Zou Jiahua, Wang Bingqian, on behalf of the State Council, reported to the meeting on the implementation of the State Budget for 1989 and on the Draft State Budget for 1990.

When reporting on the implementation of the State Budget for 1989, he said the State Budget was implemented fairly well with financial revenues exceeding the state budget, thus basically guaranteeing the financing of construction and reform.

He said: According to present statistics, total state revenues in 1989 came to 291.92 billion yuan, or 102.2 percent of the budgeted amount, and total state expenditures amounted to 301.455 billion yuan, or 102.9 percent of the budgeted figure. Thus a deficit of 9.535 billion yuan was created.

Wang Bingqian said: Last year saw an increase in the financial deficit. However, the state budget was implemented last year under the circumstance whereby there were several special factors; in fact, it was not easy to implement the state budget to the degree realized. We strove to increase revenues and overfulfilled the task of collecting revenues on the basis of developing production. We implemented a tight money policy, and kept under control or reduced some nonessential financial expenditures. We readjusted the structure of expenditures and increased investment in energy, transport, agriculture, education, science, and technology. We summed up and streamlined our work. We carried out comprehensive inspection of tax collection, finance and commodity prices. Of course, we should also realize that considerable problems were encountered in implementation of last year's state budget.

On the draft state budget for 1990, Wang Bingqian said: The major principle in projecting the 1990 State Budget is to further implement the policy of improving the economic environment; rectifying the economic order and deepening the reform; and, on the precondition that political, economic and social stability is maintained, to continue the policy of controlling demand and reducing expenditures and putting the stress of work on readjusting industrial and distribution structures and improving economic efficiency. We must also strive to promote the development of production, open up new financial sources, properly concentrate funds, and ensure a steady increase of revenues. While keeping the scale of expenditures under strict control, we need to readjust the spending structure, ensure necessary spending, reduce ordinary spending, and truly establish the notion of leading a thrifty life. And we must strengthen supervision over financial management, strictly control financial deficits, gradually solve the contradiction of total social demand exceeding total social supply, and create favorable conditions for bringing about a sustained, stable and coordinated national economic development.

He said: The draft 1990 state budget, being submitted for deliberation by this session, projects a total state revenue of 323.653 billion yuan, a 10.9 percent increase over last year's estimated figure, and a total state expenditure of 332.545 billion yuan, a 10.3 percent increase over last year's estimated figure. The budget expenditure exceeds revenue by 8.892 billion yuan.

Wang Bingqian explained several questions in the draft budget—the question of financial deficits in the state budget, the question of how to open up new financial sources and increase revenues, the question of how to repay the principal of foreign debts with interest, and the question of how to reduce general expenditures and ensure necessary spending. He also explained the question of subsidies for enterprises operating with losses and subsidies for commodity prices, and the question concerning the readjustment of the wages of workers and staff members.

Wang Bingqian said: In order to ensure a successful execution of the 1990 State Budget, we must unify our thinking and understanding, strengthen our faith, enhance vigor, and go all out to do solid work to promote the campaign to increase production and practice economy and to raise revenues and reduce expenditures.

He proposed the following measures in his report: To unify thinking and understanding and have an overall point of view, to make great efforts to improve economic efficiency and increase revenues, to drastically reduce and strictly control expenditures and truly lead a thrifty life, to continue to deepen the reform and promote financial legislation, and to rectify the financial order and strengthen supervision over financial work.

Wang Bingqian emphatically pointed out: The present financial situation of the state is still grim, and there are many financial contradictions and great financial difficulties. However, there are also many favorable conditions for us to overcome the difficulties. At present the political, economic, and social situation in our country is stable. The people welcome the policy of improving the economic environment, rectifying the economic order, and deepening the reform, and the policy has yielded remarkably good results. In particular, after 40 years of construction our country has greatly enhanced its economic strength, and the enhanced economic strength is the material foundation for us to overcome difficulties and win victory. So long as we do our work well, the 1990 State Budget will surely be executed well.

At the suggestion of the CPC Central Committee, the 19 March first meeting of the NPC Presidium adopted a draft resolution of the Third Session of the Seventh NPC on accepting Deng Xiaoping's resignation from the chairmanship of the Central Military Commission of the People's Republic of China. Since the meeting, the suggestion of the CPC Central Committee and the draft resolution of the NPC session have been printed and issued to all deputies and their opinions are solicited.

At today's meeting, both the "Suggestion on Accepting Comrade Deng Xiaoping's Resignation from the Chairmanship of the Central Military Commission of the People's Republic of China" made by the CPC Central Committee to the Presidium of the Third Session of the Seventh NPC on 19 March 1990, and the draft resolution of the NPC session were read to the deputies. After a vote by the deputies, the meeting adopted the "Resolution of the Third Session of the Seventh NPC on Accepting Deng Xiaoping's Resignation from the Chairmanship of the Central Military Commission of the People's Republic of China."

Other executive chairmen at today's meeting were Seypidin Aizezi, Chen Muhua, Sun Qimeng, Ma Sizhong, Batu Bagen, Ye Gongqi, Liu Huaqing, Song Rufen, Zhao Pengfei, Hu Jintao, Aisin Giorro Pujie, and Cheng Xu.

Further on Economic Reports

OW2203022790 Beijing Domestic Service in Mandarin
1100 GMT 21 Mar 90

[Text] Entrusted by the State Council, Zou Jiahua, state councillor and minister of the State Planning Commission, and Wang Bingqian, state councillor and minister of Finance, delivered a report on the implementation of the 1989 national economic and social development plan and on the 1990 draft plan as well as a report on the execution of the 1989 state budget and on the draft 1990 state budget on separate occasions at the second meeting of the Third Session of the Seventh National People's Congress [NPC].

First of all, we would like to broadcast excerpts of Comrade Zou Jiahua's report on the implementation of the 1989 national economic and social development plan and on the 1990 draft plan.

Zou Jiahua said: The entire 1989 plan was well implemented. The national economy is doing better on its course of improving the economic environment, rectifying economic order, and deepening reform. The improvement is noticeably shown by such facts as the following: The overheated economy of several consecutive years has cooled down; excessive investment in fixed assets has been somewhat reduced; inflation has been brought under control; retail prices in the whole country are decreasing month by month; and social production keeps growing properly.

The major achievements were in the following fields:

1. Grain harvests were good and development continued in agriculture, forestry, animal husbandry, sideline undertakings, and fishery. China's total agricultural output value in 1989 reached 655 billion yuan, up by 3.3 percent over the previous year if price rises were taken into account. Grain output in 1989 reached 407.45 million tons, the highest record in history. The output of vegetable, fruits, meat, aquatic products, and other basic necessities of the people markedly rose.

2. The excessive industrial growth rate of several consecutive years has slowed down. China's total industrial output value in 1989 was 2,188 billion yuan, an increase of 8.3 percent as compared with that in 1989 if price rises were taken into account. It met the requirements set by the state plan.

3. The scale of investment in fixed assets has been brought under control and a number of large- and medium-sized construction projects have been completed and put into operation. The country's total investment in fixed assets in 1989 was 400 billion yuan, a drop of nearly 50 billion yuan or 11 percent as compared with the previous year. After deduction of price factors, the actual amount of work was reduced by more than 20 percent.

4. With quite an ample commodity supply in the market, the increase of retail commodity prices was smaller than that in the previous year. The value of the country's 1989 retail sales totalled 810.1 billion yuan, a 8.9 percent increase over the previous year. The sales volume of food, clothing, and articles of daily use as well as means of production for farming continued to grow. The general retail price level in the whole country in 1989 increased by 17.8 percent as compared with the previous year. The rate of growth was lower than the previous year. Particularly since October, the rate of commodity price increases dropped below the double digit figure.

5. Import-export trade grew steadily and continued progress was made in economic and technological exchanges. According to customs statistics, China's 1989 total import and export value amounted to US\$111.6 billion, a 8.6 percent increase over the previous year.

6. Steady development was made in scientific and technological, educational and cultural, public health, and sports undertakings.

7. Consumption demand in society was somewhat brought under control.

Zou Jiahua said: Many problems and difficulties still exist in our economic life although remarkable achievements have been made in the task of improving the economic environment and rectifying economic order.

On the major goals and tasks of this year's plan for national economic and social development plan, Zou Jiahua said: A proper economic growth rate has to be maintained. On the basis of raising economic efficiency and technological levels, the total agricultural output value is to increase by 4 percent, the total industrial output value is to increase by 6 percent, and the gross national product is to increase by 5 percent. We will strive to further reduce the inflation rate and we plan to control the rate of increase of national retail commodity prices at a level below that of the previous year. We will set the scale of fixed assets investment in society at 410 billion yuan and we will also further adjust the investment structure according to the state's industrial policy. We will continuously exercise tight control for the credit

scale and on issuance of currency, and we will strive to lower the state budgetary deficit below the level of the previous year. We will strive to maintain a basic balance in foreign exchange revenues and expenditures during the current year.

Zou Jiahua said: The major tasks for the 1990 plan are as follows:

1. Concretely strengthen agriculture, and strive to achieve stable growth in such major crops as grain and cotton. We will make plans and arrangements to increase grain output by 5.05 million tons, cotton by 610,000 tons, oil-bearing crops by 2.09 million tons, and sugar-bearing crops by 6.07 million tons as compared with last year. At the same time, we will strive to attain a fairly good harvest of other farm products. We will continue to increase the output of meat, poultry, eggs and milk, and increase the total meat output by 400,000 tons over last year.
2. Continue to promote market sales, greatly adjust structure and raise economic efficiency, and maintain proper growth of industrial production. We will strive to achieve a 6 percent rate of growth in industrial production as planned. We plan to increase raw coal production by 20 million tons, crude oil by 350,000 tons, electric energy by 23 billion kwh, steel by 60-61 million tons, cotton yarn by 23 million bales, chemical fiber by 1.47 million tons, and railway cargo volume by 1.47 billion tons as compared with last year. In order to increase industrial production with appropriate speed, we must attach importance to making structural adjustments and raising economic efficiency.
3. We will continue to keep the scale of investment in fixed assets under control and readjust the investment structure. We plan to make a total of 410 billion yuan investment in fixed assets in 1990. While keeping the investment scale in capital construction under control, we plan to readjust the investment structure. Mainly we will curtail investments for general projects in construction and place emphasis on making investments in agriculture, energy, and transport.
4. We will make good arrangements for the domestic market and for people's livelihood, and continue to control the overall level of commodity prices. We plan to increase the value of the country's retail sales in 1990 to 410 billion yuan, a 14.8 percent increase over 1989.
5. We will persist in opening to the outside world, strive to adjust the structure of import and export commodities, and further develop foreign trade and expand economic and technological exchanges. The plan envisages a slight increase of the volume of foreign trade and export goods. We will strive to overfulfill the plan in the course of implementing it. While expanding export business, we will rationally make arrangements for further developing our import business. We will continue to make good use of foreign funds and do a good job in importing advanced technologies.
6. We will further develop science, education, culture, public health, and sports and strictly control population growth.

Zou Jiahua said: The tasks for the 1990 national economic and social development plan are considerably arduous. We must integrate efforts to improve the economic environment and rectify the economic order with in-depth reform. Following the guideline of combining planned economy with market regulation, we will steadily substantiate, readjust, and improve the reform measures adopted in the past several years. We will adequately strengthen centralism and energetically improve the system of macrocontrol, while continuously invigorating the microeconomy.

First, we should persist in and perfect the contracted managerial responsibility system in enterprises, deepen enterprise reform, and fully arouse the enthusiasm of workers and staff members in enterprises.

Second, we should strengthen planned guidance and management in the area of production and circulation. During the current year, a number of mandatory plans for the production of some important raw and other materials for industrial production have been added. In agricultural production, guidance plans for determining sown areas for some important farm products have been restored.

Third, we will continuously deepen reform in the fixed assets investment structure. In dealing with capital construction projects, the state will from this year adopt the measure of controlling both the annual overall scale of investment and the overall scale of investment in those projects currently under construction, and continue to properly centralize the authority for screening and approving new capital construction projects. During 1990 we will screen a group of large- and medium-size capital construction projects through audit procedures.

Four, we will strengthen and improve the macrocontrol structure and system according to the principle of combining planned economy and market regulation, and further rectify and perfect measures and plans for the implementation of the state policy on industry. At the same time, we will also organize all relevant departments and districts to make concerted efforts to carry out various support measures and strengthen their supervision and inspection to ensure that the state policy on industry is truly implemented.

The following are excerpts of Comrade Wang Bingqian's report on the execution of the 1989 state budget and on the draft 1990 state budget.

Wang Bingqian said: Nineteen eighty-nine was a very unusual year. The state budget was executed fairly successfully. Revenues, which exceeded the budgeted amount, basically met financial requirements in construction and reform. According to available statistics, total state revenues in 1989 amounted to 291.92 billion yuan, or 102.2 percent of the budgeted amount, and total

state expenditures amounted to 301.555 billion yuan, or 102.9 percent of the budgeted figure, showing a deficit of 9.535 billion yuan.

Wang Bingqian said: Although the deficit in 1989 increased, execution of the state budget in such a manner was indeed not an easy task at all, considering the special circumstances which occurred last year. This should be attributed to the efforts exerted by people of all nationalities in the country. We should not, of course, ignore certain noteworthy issues in the execution of last year's state budget. The relatively large deficit last year was unfavorable for stabilizing the economy and commodity prices and for expediting reform. The growth in revenues last year was also substantially handicapped by high consumption and high input but poor results, low yield, and low productivity in production, construction, and circulation. Since the first half of 1989 in particular, market sales became sluggish, industrial growth plummeted, the number of enterprises fully or partially suspending production increased, and economic performance deteriorated. While most of these problems were problems left over from previous years, some were new problems which cropped up during the course of economic retrenchment. We must attach great importance to these problems, learn a lesson from them, and take resolute measures to solve them.

On the 1990 budget, Wang Bingqian said: The major principle guiding the formulation of the 1990 state budget is one of continuing to implement the economic retrenchment and reform policy as well as—on the premise of maintaining political, economic, and social stability—the policy of controlling demand, tightening expenditures, focusing on readjusting industrial production and distribution, and achieving better economic performance. Efforts will be made to promote production, explore new financial resources, appropriately pool funds together, and ensure steady revenue growth. While exercising strict control over the size of expenditures, efforts will be made to adjust spending patterns by meeting the needs of priority projects and curtailing the needs of routine projects, and to be genuinely prepared for practicing austerity. To bring about sustained, steady, and coordinated economic development efforts will also be made to intensify financial supervision, strictly control deficits, and gradually alleviate problems where society's aggregate demand exceeds aggregate supply.

The draft 1990 budget which Wang Bingqian submitted to the NPC for examination envisages total state revenues of 323.653 billion yuan, or 10.9 percent more than last year's estimated figure, and total expenditures of 332.545 billion yuan, or 10.3 percent more than last year's estimated figure, showing that expenditures will exceed receipts by 8.892 billion yuan.

Wang Bingqian said: This year is a crucial one for economic retrenchment, and financial problems have a close bearing on overall performance. All quarters must heed the requirements of the whole situation, consider

the long-range interests, and share the burdens of the state. Of course, the central government will also consider the actual situation of the various localities and departments and treat them differently so that they will not be too hard pressed while practicing austerity.

Wang Bingqian said: We must have a clear idea of the guiding thought. The general policy of tightening expenditures and credits must be firmly implemented. All quarters must tighten their belts and, while doing so, strive to enliven their operations and do their jobs well. The expenditures for budgeted construction projects must not be exceeded, and continuous efforts must be made to adjust the investment pattern. Resolute efforts must be made to curtail the use of nonbudgetary funds for building fixed assets. Every effort should be made to curtail administrative expenses and strictly control purchases by social institutions.

Wang Bingqian said: One particular thing that must be pointed out is that, while the state has financial problems and a shortage of funds, there are also serious losses and waste. We should firmly oppose waste in the same way we combat embezzlement and corruption. Leading organs and cadres must take the lead to accomplish this task firmly and earnestly.

Wang Bingqian said: The ongoing fiscal reform must serve economic retrenchment. On the premise of adhering to the socialist course, we must stabilize and improve the current reform measures. We should, in particular, continue to improve the contractual systems governing enterprise operations and fiscal matters. Meanwhile, positive efforts should be made to explore ways and means and try out new measures. We should continue to uphold the contractual system governing enterprise operations, and should earnestly examine the experience gained in this regard and make constant efforts to improve the system with the idea of making still greater contributions to the state. The existing contractual system governing enterprise fiscal matters should continue, but efforts should be made to promote its advantages and eliminate its disadvantages so that the system can gradually be further improved. A relatively ideal plan to reform the system is to adopt a revenue-sharing system [fen shui zhi] so that the initiative of both the central and local departments can be mobilized. Pilot revenue-sharing projects will be actively carried out in localities where preparations have been made this year.

Wang Bingqian said: In recent years some local authorities and units have been using all types of excuses and illegitimate and unauthorized means to reduce or exempt tax payments, evade taxes, feign losses in order to acquire subsidies, set up private coffers, turn money intended for the state into money to be used by small collectives, and to withhold state revenues for other purposes. Such problems are very serious. This year we will make great efforts to restore fiscal and tax order. Fiscal matters of the central and local authorities, budgetary and nonbudgetary funds, and all fiscal rules and

regulations for managing financial receipts and payments will be screened and consolidated. To intensify management of fiscal and tax matters and give our budget plans greater binding power, efforts will be made to enact additional laws and enforce all laws. The responsibilities of units, their leaders, and other relevant personnel will be investigated if problems of lawlessness, especially major ones, are found in these units, and their cases will be publicized after they have been seriously handled according to law.

Zhang Haoruo Interviewed

*OW2103152090 Beijing XINHUA in English
1448 GMT 21 Mar 90*

[Text] Beijing, March 21 (XINHUA)—“The fundamental task of socialism is to boost the productive forces. When production is well developed and people have enough food, full employment, and chance to make money many contradictions can be ameliorated and social stability maintained.”

Sichuan Governor Zhang Haoruo made the remarks in an interview with XINHUA here today.

A deputy to the National People's Congress (NPC), Zhang, head of China's most populous province, is attending the third annual session of the Seventh NPC.

Chinese Premier Li Peng said in his government work report to the session that as China now confronts pressure from abroad and difficulties at home, preservation of the country's stability is a matter of paramount importance. This is also one of the major topics being discussed by the NPC deputies.

Having just ended his inspection tour of rural areas in Sichuan, Zhang said the top task for his province is to maintain stability of its rural areas and rural population of 90 million.

He believed that the key to maintaining stability of the rural population is to protect the interests of the peasants and arouse their enthusiasm for production. Last year, Sichuan suffered serious natural calamities including floods, mud-rock flows, and earthquakes which affected 33 million people in 175 counties and damaged two million hectares of crops. Despite all this, the province was able to maintain stability of its rural areas, the governor said.

Zhang Haoruo said a material base is essential to maintaining social stability. Faced with serious natural disasters in 1989, the provincial authorities gave top priority to agriculture in running the economy, adopted a series of measures to stabilize and perfect the contracted household responsibility system, and set up various service networks for farming.

He said the provincial government also increased the rationed supply of chemical fertilizer to peasants, which was linked with contracted purchase of grain by the

government, and improved the supply of farming production materials by monopolizing the marketing of plastic sheeting and pesticides as well as chemical fertilizer.

With concerted efforts Sichuan harvested 40.83 million tons of grain in 1989, surpassing the record year of 1984, the governor said.

Zhang Haoruo said Sichuan now has more than 10 million surplus rural laborers. As it is not possible for them to move into cities, he said, they should be encouraged to develop intensive farming and other undertakings such as improving basic facilities for farming, opening up orchards, growing tea and medicinal herbs, and breeding silkworms and poultry.

Like other provinces in China, Zhang said, Sichuan has to make proper arrangements for workers in industrial enterprises operating at half capacity or coming to a standstill, which has posed a pressure on social stability.

“The government has the responsibility to meet the basic needs of these workers,” he said, “but the final way out is to boost production and improve the economic performance of the enterprises.”

He said the local authorities and provincial government departments will urge such enterprises to readjust product mix and produce marketable products and improve management and the competitiveness of their products while giving support to them.

Shanxi Governor Interviewed

*OW2103163490 Beijing XINHUA Domestic Service
in Chinese 0746 GMT 21 Mar 90*

[“Big Energy-Supplying Province Takes the Interests of the Whole Into Consideration—An Interview With Wang Senhao, Deputy to the National People's Congress and Governor of Shanxi Province,” by XINHUA reporters Huang Zhimin (7806 2535 2404) and Wu Guangsheng (0702 1639 3932)]

[Text] Beijing, 21 Mar (XINHUA)—“Though supply can hardly meet the demand for energy in our province, we must overcome difficulties and take the interests of the whole into consideration by allocating and supplying more coal and electric power to the state.” In an interview with the reporters, Shanxi Governor Wang Senhao, who attended the Third Session of the Seventh National People's Congress [NPC], made this remark in a candid manner.

As the largest energy producing base in our country, Shanxi Province faced an electric power shortage of 1 million kilowatts last year. As a result of the shortage, some factories were forced to stop operating three days a week. Other factories, which consumed huge quantities of energy, were forced to either stop production or switch their production lines to other products. Meanwhile, Shanxi Province allocated a total of 199 million metric tons of coal to supply 26 provinces, municipalities,

autonomous regions, and eight cities under direct state control and are invested with independent economic decision-making authority throughout the country. The province transmitted a total of 5,678 million kilowatt-hours of electric power to other provinces and municipalities, thereby making contributions to the effort to alleviate the nationwide energy shortage.

Wang Senhao, who is 57 years old now, is an expert on coal and has worked in the coal industry for 27 years. Touching on this year's tasks of coal production and the allocation and delivery of energy to other provinces, municipalities, and autonomous regions, he said: Shanxi Province's raw coal output planned for this year is slightly less than last year; the magnitude of increase in its electric energy production will not be much larger, either. However, its tasks of allocating and delivering coal and electric energy to other provinces, municipalities, and autonomous regions have increased compared to last year. With the current nationwide energy shortage, we ourselves would rather consume less coal and electric energy, taking the interests of the whole into consideration and guaranteeing the fulfillment of the tasks to allocate and deliver coal and electric power to other provinces, municipalities, and autonomous regions. This guarantees that we will meet the needs of the state.

At the end of the interview, Wang Senhao told reporters with confidence that Shanxi Province has some margin in the plan of allocating and delivering coal and electric power to other provinces, municipalities, and autonomous regions and that it is definitely in a position to overfulfill the tasks.

The energy generated from one metric ton of coal and transmitted into one kilowatt-hour of electricity can be calculated. However, when the nation is facing a difficulty, the energy generated from the spirit of the people of an energy-producing base that takes the interests of the whole into consideration is incalculable.

Press Reactions to NPC, CPPCC Sessions

Editorial Greetings Offered

OW2103145490 Beijing XINHUA Domestic Service
in Chinese 1506 GMT 20 Mar 90

[Text] Beijing, 20 Mar (XINHUA)—"RENMIN RIBAO," "JIEFANGJUN BAO," "GUANGMING RIBAO," "JINGJI RIBAO" and "GONGREN RIBAO" today separately publish editorials warmly greeting the opening of the Third Session of the Seventh National People's Congress [NPC] and the Third Session of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC], and wishing the two sessions success.

In its editorial, entitled "Discuss State Affairs Together and Stabilize Development," "RENMIN RIBAO" emphasizes: The system of people's congresses is a fundamental political system of China. The practice in

the 40 years since the founding of the People's Republic, particularly the practice in the last 10 years, proves that the system of people's congresses conforms to China's conditions and is conducive to long-term order and stability of the country and to national prosperity and the people's happiness. We must uphold this fundamental political system.

The "JIEFANGJUN BAO" editorial is entitled: "Make New Contributions to Long-Term Order and Stability of the Country." The editorial says: Our Army, as a strong pillar of the people's democratic dictatorship, always regards the defense of national security and maintenance of national stability as its bounden, sacred duty. In the past, our Army made unremitting efforts to promote stability and prosperity of our country. In the days to come, it is even more necessary for our party to work under absolute party leadership, strengthen political building, always be politically up to standard, keep a high degree of centralism, and make even greater contributions to long-term order and stability of the country.

"GUANGMING RIBAO" publishes an editorial entitled: "Pool Wisdom and Efforts and Work Hard for China's Stability and Development." The editorial says: Despite changes in the international situation and many difficulties at home, the situation in our country is still good and is characterized by social stability, unity among the people, and new progress in all work. In the final analysis, what we rely on is the rallying power of the party and the government among the people. The party and the government rely on the people and are closely linked to the people, while the people are united and work hard under the leadership of the party and the government. This is a fundamental guarantee for achieving even more stable development and constantly pushing our socialist modernization forward.

In its editorial, entitled "Achieve Stable Development and Forge Ahead in Unity," "JINGJI RIBAO" points out: At present, the central task for the people in our country is to achieve even more stable political, economic, and social development in our country. Political stability and social stability are the preconditions, and economic stability is the foundation. In the final analysis, we must concentrate on economic development.

"GONGREN RIBAO" publishes an editorial, entitled "Enhance Vigor and Work With One Heart and One Mind To Promote the Task of Improving the Economic Environment, Rectifying the Economic Order, and Deepening Reform." The editorial says: In the past, we made achievements in all fields and successfully overcame difficulties because our workers and staff members and the people throughout the country all did their utmost. In order to make new achievements in reform and construction and overcome difficulties in the road ahead, our workers and staff members as well as the people throughout the country must work as hard as they did in the past. The editorial says: We must not panic in the face of difficulties. On the contrary, we must work

even harder because our goal is splendid, our task is arduous, and there are temporary difficulties on our road ahead.

CPC Restricts Media Reports

HK2003015390 Hong Kong MING PAO in Chinese
20 Mar 90 p 6

[Report: "The CPC Central Committee Restricts Mainland Media's Reports on Two Meetings"]

[Text] According to news from Beijing, to avoid adverse influence might caused by incisive speeches by National People's Congress [NPC] delegates and Chinese People's Political Consultative Conference [CPPCC] members at a time when the drastic Soviet and East European reforms have evoked extensive repercussions among the Chinese public, a leading group of the CPC Central Committee in charge of propaganda and ideological work recently issued a document imposing restrictions on mainland media's reports on the two sessions.

According to the news, the document stressed that reports on international issues and China's foreign policy must strictly accord with the principle and line laid down by the CPC Central Committee. The specific contents of the discussions on the situation in the Soviet Union and Eastern Europe must not be disclosed.

As the current NPC and CPPCC sessions are convened following the quelling of the "turmoil" and "counterrevolutionary rebellion" and when drastic changes have taken place in East Europe and the international situation, the document said, the principle of "democracy, reality, unity, and enthusiasm" should be implemented in report coverage of the two sessions, namely, attain the objective of unity and arousing enthusiasm through a democratic atmosphere and realistic spirit.

The document stipulated that the current difficulties and defects in government work, the sensitive problems of mass concern in particular, should be reported with prudence. It is necessary to approach problems from a positive angle, never evade problems, and take note of comprehensiveness in reports.

Regarding proposals by delegates, the document said, those that can and must be solved should be reported; those that must be solved on conditions should be duly reported; and those that cannot be explained or solved should not be reported.

The document also stressed enforcing propaganda discipline and implementing the system of submitting major and sensitive issues to higher levels for examination and asking for instructions. News that is not allowed to be made public should not be released under any excuse or in any form.

The document urged mainland reporters to conduct more interviews with worker-peasant cadres and fewer with intellectuals.

It has been reported that the leading group has instructed the Central Propaganda Department to strengthen guidance and supervision over reports on the two sessions.

Further Reportage Concerning CPPCC Sessions

Members Comment on Work Report

OW2003175090 Beijing XINHUA in English
1538 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—Members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) made comments on Premier Li Peng's government work report they had heard this morning.

Li Yuanchao, vice-chairman of the All-China Youth Federation, said the government work report is realistic and a product of sober deliberations after the political upheavals in Beijing last spring.

Now, he said, people are satisfied with four things, namely stable prices and political stability; measures to build a clean, honest government and combat corruption; efforts to eliminate porn and other social evils; and calls to learn from model soldier Lei Feng and foster good social conduct.

Ma Xin, former chairman of the Ningxia Hui Autonomous Regional People's Government, said the exposition on the nationalities in the government work report sums up the experience gained over the past 40 years.

Ma, of the Hui nationality, said the policies for equality among nationalities, regional autonomy for minority nationalities, and common prosperity of nationalities have proved to be successful.

These policies serve to rally the minority nationalities and provide the basis for the solidarity among nationalities and national unity and stability, he noted.

Wong Hak-lap, chairman of the Hong Kong Tai Ching International Co. Ltd., held that the report has made a thorough analysis of the existing problems. He found the policies on Hong Kong and Macao in the report "very encouraging."

Wong, in his 80s, pointed out that China faces two urgent tasks: keeping stability and pushing the economy forward. So long as the country is stable, the economy can surely be improved, he said.

Professor of Law Zhao Haili from Beijing University said that the focal point of the premier's report is to safeguard the stability of the country.

He said he paid special attention to the section in the report on enhancing the whole nation's sense of law. "Those who don't know law will act blindly in political life. This is one of the factors leading to social instability. So, it's necessary to popularize legal knowledge among all citizens," he added.

CPPCC members from art and literature circles felt relieved after hearing Premier Li Peng's work report.

Luo Yusheng, vice-chairwoman of the China Ballad Singers Association, said she fully agrees with Li's view that all art and literary works should strive to create a public opinion and cultural environment in favor of the country's stability.

Membership Discusses Report

OW2203052390 Beijing XINHUA Domestic Service
in Chinese 1412 GMT 21 Mar 90

[Text] Beijing, 21 Mar (XINHUA)—Members of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] attending its third session broke into groups today to discuss Premier Li Peng's Government Work Report and to air their views on improving the economic environment, straightening out economic order, and deepening reform.

Li Jingwen, member of the CPPCC National Committee, said: At the beginning, many people worried that the measures to improve the economic environment and straighten out economic order might cause stagflation, or the simultaneous occurrence of stagnation and inflation. Inflation was basically brought under control last year. Although production dropped, a certain growth rate was maintained. Results were achieved only after a year or so of improving the economic environment and straightening out economic order. This shows that this measure is feasible and the policy decision of the central authorities is correct.

Chen Mingshan, member of the CPPCC National Committee, said: Last year the government took some effective measures to tackle problems in inflation, unchecked importation, and capital construction, initially bringing such problems under control. I think the work was done well in these three aspects. Panic purchasing occurred on the market in 1988. As a result of improving the economic environment, straightening out economic order, and deepening reform the market tended to stabilize in the second half of last year prices became relatively stable, and people were rather satisfied.

Wang Chuanlun and Chen Zheng, members of the CPPCC National Committee, said: While affirming the achievements in improving the economic environment and straightening out economic order, the Government Work Report noted various difficulties and problems in economic work and thoroughly analyzed the problem of a market slump. This will help solve problems.

Chen Daisun and Tang Dewen, members of the CPPCC National Committee, said: Many existing economic problems are left over from the past. One cannot expect that all problems will be solved at once. We must go through a process of solving problems step by step. It is normal that development is slow in a period or that various problems crop up. Our determination to

improve the economic environment, straighten out economic order, and deepen reform must not be shaken because of these.

Members of the CPPCC National Committee also expressed their hopes on government work. Some of them said: In formulating economic policy, the government from now on should pay attention to taking coordinated measures, and it should not solve one problem to cause a series of new problems. Some others suggested ways and means for solving problems such as a market slump, a sharp drop in the industrial growth rate, and poor economic results. Such ways and means included measures to guide consumption, stimulate the market, and invigorate enterprises; measures to readjust the industrial structure and the product mix while improving the economic environment and straightening out economic order; and measures to raise the technological level of enterprises and the quality of their products through scientific and technological progress.

Hong Kong, Macao Satisfied

OW2003163290 Beijing XINHUA in English
1433 GMT 20 Mar 90

[Text] Beijing, March 20 (XINHUA)—Hong Kong and Macao members on the National Committee of the Chinese People's Political Consultative Conference (CPPCC) showed their satisfaction at the work of the committee since March last year during panel discussions in the past two days.

The CPPCC National Committee members from Hong Kong and Macao are attending the committee's Third Annual Session in Beijing.

Chuang Shih Ping, a Standing Committee member of the CPPCC National Committee and honorary chairman of Nan Yang Commercial Bank Ltd., said during a panel discussion yesterday that he fully agreed with what CPPCC National Committee Vice-Chairman Qian Weichang said in his work report on behalf of the national committee's standing committee.

"I appreciate the firm and clear-cut stand the CPPCC national committee took during the unrest in Beijing last year as well as its efforts to actively help the Chinese Communist Party Central Committee and the State Council in their work," the Hong Kong banker said.

He said the national committee made breakthroughs in its work last year, especially the participation of its members in the State Council's inspection groups for screening and rectifying companies. He called it "a good start" and hoped that more members would be able to join in such kind of work.

Lau Lai Keung, a CPPCC National Committee member from Hong Kong, said that he made a proposal during last year's session in March, calling for devaluing the Chinese currency renminbi, and he received a reply from the State Administration of Exchange Control only a month later.

"This earnest and prompt work shows that proposals by CPPCC National Committee members are receiving increasingly greater attention," he added.

Ng Tor-tai, chairman of Hung Hsing Construction Co. Ltd., said the CPPCC National Committee did a good job last year in organizing inspection tours by its members to various parts of the country. He suggested that the committee organize more tours to grass-roots units.

During the panel discussions, some other CPPCC National Committee members from Hong Kong and Macao, including T.K. Ann, Leopold H.C. Tang, Wang Heng and Chu Ngok-ko, also expressed their satisfaction at the CPPCC National Committee's work last year.

Trade Unions on Participation

OW2203085890 Beijing XINHUA in English
0653 GMT 22 Mar 90

[Text] Beijing, March 22 (XINHUA)—Leaders of trade unions from Beijing, Shanghai, and Tianjin today discussed ways and means for their organizations to participate in the discussion and administration of state and political affairs.

They are of the opinion that trade union organizations should play the role of a "democratic channel" on behalf of workers in the discussion and administration of enterprise, social, political, and state affairs.

These trade union leaders are members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), now in Beijing attending the ongoing third annual session of the Seventh CPPCC National Committee.

Luo Shuzhen, chairwoman of the Postmen's Trade Union, said that to make the "democratic channel" a success, Communist Party organizations and governments at various levels as well as leaders of industrial enterprises should all rely on the working class wholeheartedly.

On the other hand, she said, systems and regulations must be worked out, improved, and observed to guarantee trade unions' right to democratic participation in and supervision over enterprise and state affairs.

She said she is happy that the postmen's trade unions at different levels have been involved in discussing and deciding on major issues such as business expansion programs and workers' wages, education, and welfare.

Shan Shu, vice president of the municipal Federation of Trade Unions in Tianjin, stressed the importance of making trade union organizations more capable of participating in the administration of enterprise, social, and state affairs.

He said that trade unions must get to know the wishes and demands of workers. They should also analyze social and economic policies, grasp laws governing the economic work, and keep track of information. Only in this

way can they offer views, propositions, and proposals on issues involving economic and social policies.

Zhang Liangzhi, vice president of the Shanghai Municipal Federation of Trade Unions, said that trade unions must work independently under the leadership of the Communist Party, firmly safeguarding the legitimate rights and interests of the workers and doing practical work for them.

Li Rongguang, vice president of the All-China Federation of Trade Unions, stressed that workers throughout China should help preserve state and social stability and push the economy forward.

Most Tibetans Against Riots

HK2203092690 Beijing ZHONGGUO XINWEN SHE
in Chinese 0515 GMT 22 Mar 90

[Text] Beijing, 22 Mar (ZHONGGUO XINWEN SHE)—Some people abroad say that riots in Tibet originate from monasteries and lamas; they think that religious people favor separatism and like to join riots. CPPCC member Yunzhong Gawa excitedly pointed out that this was incorrect, adding that most of the Tibetan people were against riots and Tibetan independence.

Yunzhong Gawa was born to a renown Tibetan family. Historical files show that his ancestor was an official of the Yuan Dynasty. A living Buddha of Lupu Monastery, a famous monastery in northern Tibet, he is now vice chairman of the regional Buddhist Association.

He has a deep understanding of Buddhist religious believers in Tibet. He told our reporter that there had been over 20 riots in Lhasa from September 1987 to March of last year, each seriously disturbing normal religious activities in monasteries. In such cases religious believers could not go on a pilgrimage. When a riot broke out last year, some lamas from Lupu Monastery were on a pilgrimage in Lhasa. They were so scared that they left the city without taking along their belongings. A living Buddha from Xiaodeng Monastery of Nagqu Prefecture went to Lingzhi via Lhasa last year. He wished to pilgrimage on Baguo Street, but could not do so because of a riot. When he returned from Lingzhi via Lhasa, another riot occurred. He had no alternative but to return to Nagqu in disappointment. There are many such examples among religious believers.

Most of the Tibetans hope for a peaceful environment so that they can engage in normal religious activities, Yunzhong Gawa said. Therefore the State Council's announcement of martial law in some parts of Lhasa was well received by the masses. During the martial law period no riot has occurred in Lhasa, thus protecting the lives and property of the people. No wonder that after the enforcement of martial law in Lhasa, the people in the city happily said: "We can hear some cuckoos singing again."

Due to various reasons, no prayers' meeting has been held this year. Yunzhong Gawa said, many people hope

that a prayers' meeting can be held. The government understands this feeling and is making detailed arrangements. He told our reporter that the autonomous region had allocated tens of thousands of yuan for nine monasteries in Lhasa. Yunzhong Gawa said: As far as I know, donations for all monasteries in Tibet are allocated by the government.

Yunzhong Gawa happily revealed to our reporter that the work of implementing the policy on religions would be basically completed in Tibet in the coming two months. He related that the fund for repairing and maintaining monasteries in Tibet totaled some 30 million yuan over the last 10 years.

Lax and poor management of monasteries has allowed some lamas to collaborate with overseas separatists, thus turning monasteries into factors for social instability and the cause of riots in society. Yunzhong Gawa remarked: As I have said, most of the lamas are against separatism and riots. I believe most of the lamas and the masses can make a clear distinction between right and wrong.

Senior Official Discusses Non-Party Appointments

HK2203021990 Hong Kong HONGKONG STANDARD in English 22 Mar 90 p 7

[By Fan Cheuk-wan in Beijing]

[Text] A senior official in one of China's democratic parties said yesterday that appointing non-communist figures to top government posts was not the essence of the multiparty system.

Mr Wu Xiuping, secretary-general of the China Democratic League, also described as "mere speculation without any ground" overseas reports about the appointment of non-communist officials as central government leaders.

He said no democratic party leader would be appointed to top government posts.

Mr Wu, a member of the Special Group on Strengthening the Multiparty Cooperative System under the Communist Party's central committee, said the political turmoil last year had disrupted the progress of improving multiparty cooperation.

In an interview with THE HONGKONG STANDARD yesterday, Mr Wu said reports on the appointment of non-communist party leaders into the central government were "mere speculations" and "groundless."

"Press reports said our chairman, Professor Fei Xiaotong, would be named as vice state president. But I have never heard of such a proposal in the group," he said.

The special group was set up last spring by the Communist Party as a working taskforce to propose measures to enhance the multiparty cooperative system. Apart from Communist Party leaders, each of the eight democratic parties have sent two representatives to the group.

"There has been no proposal at all to nominate particular non-communist leaders to take top posts in the central government," Mr Wu said.

"Up until now the special group has not considered nomination of particular candidates from the non-communist parties to enter the central government, such as taking the posts of ministers or more senior ones."

Mr Wu said the non-communist parties' participation in the central government should be regarded as only a part of the multiparty cooperative system and it was not the most important part.

"Although there is no appointment of non-communist party members to top government posts, the progress of our work to strengthen the multiparty system has been proceeding smoothly," he said.

Last January, former party general-secretary Mr Zhao Ziyang suggested that building the multiparty system was "the principal task of 1989."

"The special group stopped its work during the political turmoil which started last April and resumed operations last October when Communist Party General-Secretary Jiang Zemin instructed the group to pick up the task again.

"Between October and December, the Communist Party and the eight democratic parties drafted the document called, 'The System of Multiparty Cooperation and Consultation Under the Communist Leadership'," he said.

The Communist Party central committee passed the document at the end of last year after soliciting opinions from the non-communist parties.

"After the official publication of the document, the special group started to formulate a series of measures to strengthen multiparty cooperation which was supposed to be finalised this year," he said.

"Nominating people to take part in the central government is only one way to widen the political participation of non-communist parties. From the point of view of the China Democratic League, it is more constructive and important to help the Communist Party and central government to develop the economy," Mr Wu said.

"Many local government departments have invited members of our league to provide consultancy services and to conduct scientific research for them.

"That's the most important channel for our league to participate in the government.

"Participation in government should not be understood as competing for government posts. It should be understood as a broader concept of participation in the government decision-making process," Mr Wu added.

The liberal head of the Communist Party United Front Work Department Mr Yan Mingfu said last year that the Communist Party would study the necessity of

amending the constitution if more non-communist party leaders were invited to become vice-state presidents.

The Chinese constitution does not mention the legal status of the non-communist parties and their relationship with the ruling Communist Party.

XINHUA Interviews Scholar on Stability

*OW2103090390 Beijing XINHUA in English
0749 GMT 21 Mar 90*

[Text] Beijing, March 21 (XINHUA)—A noted Chinese scholar today expressed his full confidence in the country's political, economic, and social stability, saying stability is vital to China's development.

Zheng Bijian, vice president of the Chinese Academy of Social Sciences, said in an interview with XINHUA that China's stability is based on the country's historical development for decades and its great achievements in the past decade of reform and opening to the outside world.

Without such an understanding, Zheng said, any analysis and assessment of China's present situation will be groundless.

Zheng, who used to serve as deputy director general of the State Council's Center of International Studies, pointed out that the foundation of China's political stability is the superior socialist system, the ruling Chinese Communist Party, and the People's Army under the party's leadership.

Another factor that determines the country's stability, Zheng added, is the party's basic line for the primary stage of socialism, which calls for taking economic construction as the central task, keeping to the socialist road, and upholding Communist Party's leadership while persisting in the reform and opening to the outside world.

"These essential factors will ensure long-term stability in China, and can never be negated by a small number of people in China and abroad who have an axe to grind," he said.

The current economic revamping, deepening of reforms, and the government's efforts to keep itself clean and honest also help to ensure stability in China, the middle-aged scholar added.

Zheng spoke highly of the decision to enhance the ties between the party and the people made by the Chinese Communist Party's Central Committee at a recent plenary session, saying the unity of the party and close ties between the party and the people compose the kernel of the country's stability.

Zheng said the existing problems in the national economy such as a sluggish market and comparatively

poor economic performance are only temporary, and "as the economy grows, these problems will no doubt be solved gradually."

Compared with the late 1970's, when the national economy was near collapsing, China's economic strength has greatly expanded and the people have benefited remarkably by the reform and open policy in the last decade, Zheng stressed.

Zheng said that China's political and economic stability is also reflected in the public morale. Upholding stability has become the main trend of thinking among the broad masses of people including young students, who are never willing to suffer from any losses like that caused by the "Cultural Revolution" (1966-76) and the unrest last year.

However, Zheng noted, China is now facing quite a few factors leading to social instability as the country is in a crucial period of modernization amid a complicated international environment. "Therefore, efforts to maintain stability must be well coupled with that [words indistinct] the socialist reform," he added.

"To seek development while maintaining social stability is an unavoidable challenge not only to China but also to all nations which are in the course of modernization," the senior scholar said.

He said that stability was the foundation for the success of China's reform and opening to the outside world in the past decade and, likewise, the on-going economic revamping, the deepening of the reform, and future socialist construction and reform should all be carried out while maintaining social stability.

Thus it is vitally important, he said, to make continuous efforts to enhance the citizens' understanding of the importance of social stability while encouraging their creativeness in the course of reform, so that all the people will value and protect unity and stability of the country.

Anticorruption Campaign Faces Many Difficulties

*HK2203034990 Hong Kong MING PAO in Chinese
22 Mar 90 p 8*

["Special dispatch" from Beijing by staff reporter: "Feng Tiyun Openly Says That Anticorruption Work Faces Many Difficulties"]

[Text] Although we have made some progress in fighting corruption and running clean government, Deputy Supervisory Minister Feng Tiyun said in a speech, it is far from enough. The situation of various localities is uneven. The corrupt practices of some organs and cadres are still problems of mass discontent and one of the factors undermining stability.

According to a document provided by the Chinese People's Political Consultative Conference, Feng Tiyun poured out his "grievances" in anticorruption work in

the speech. At present, the supervisory organs are facing the following problems: The tendency of pleading for mercy and meddling in work of the judicial organs and nepotism which have hindered the handling of cases; the existing means of supervisory organs do not correspond with their tasks, badly requiring improvement and enhancement; shortage of outlay for handling cases and official duties; and difficulties in transport.

Among many leading cadres, Feng Tiyun disclosed, there is still resistance and misgivings about running clean government and fighting corruption, mainly indicated in the following: First, they believe that measures adopted to run clean government will affect economic construction, hinder production development, and stifle the economy; second, they believe that "he who takes the lead in keeping clean of corruption will be the first to suffer" and benefit others; third, they hold that running clean government is a task of party and government organs, but enterprises and departments should be excluded because it would be impossible for them to develop production and do business if they refused to send gifts and entertain their customers; and fourth, they hold that it is unnecessary to carry out excessive anticorruption propaganda among cadres as their wages are limited, their living standards are low, and they lead a plain life.

Feng Tiyun said that some departments are still taking a wait-and-see attitude toward screening companies. The screening of companies run by government organs is particularly slow. These organs move a step forward only when they are pushed, saying: "We will move when the moon (referring to the higher authorities) moves and stop when it stops." The tendency of entertaining guests at public expense and sending gifts has not yet been curbed. According to a survey of restaurants by the Hunan Provincial Supervisory Department, some 34 units used public funds to give banquets on 92 occasions in half a month from 1 December to 15 December last year. Feng said that 60 to 70 percent of the income of large- and medium-sized restaurants throughout the country in 1988 came from banquets held at public expense.

Moreover, Feng Tiyun said, the practices of cadres accepting bribes; abusing powers to build private houses and build luxury houses at public expense; using public funds to send their children to universities and colleges; seeking preferential treatment in sending their relatives abroad, transferring them to better posts, promoting them, and recruiting them; appointing people by favoritism; and dereliction of duty are rather serious. The masses have a lot of complaints about the current problems in government work style and discipline.

Guangdong Governor Ye Xuanping May Retain Post

HK2203043190 Hong Kong MING PAO in Chinese
22 Mar 90 p 8

["Special dispatch" from Beijing by staff reporter: "Ye Xuanping Denies He Will Be Transferred From Guangdong"]

[Text] Beijing—An informed source said Guangdong Governor Ye Xuanping is very likely to retain his post. Asked by reporters yesterday evening, Ye Xuanping himself also confirmed that he has not heard about any plan to transfer him out of Guangdong recently. Ye noted that economic readjustments are better handled by those who are familiar with the operation, and he is duty bound and willing to accomplish his work in the province to straighten out the local economy.

Answering reporters' questions yesterday evening, Lin Ruo, secretary of the Guangdong provincial party committee, also said he wishes to continue working with Ye as they have been good partners for many years and know each other very well. After all, every cadre must obey the central authorities' orders regarding personnel changes, but he said so far he had not learned about any such decision adopted by the central authorities. He added he had never heard about any rule set by the central authorities demanding that "no cadre hold a leading position in his home province."

Yesterday evening Ye Xuanping attended a banquet given by Henry Fok and Ma Man-kei in honor of Guangdong, Hong Kong, and Macao deputies to the National People's Congress and Hong Kong and Macao delegates to the Chinese People's Political Consultative Conference National Committee. After the banquet he was asked by reporters about the possibility of any change in his position. Ye reiterated that the report about a change in his post was sheer speculation by Hong Kong news media. He said: "This is sheer rumor. I don't know who has fabricated it. You are asking yourselves a question that is difficult to answer. It is you yourselves who think Ye Xuanping will go. I just don't know how to answer your question."

Asked about whether he would take up the post of director of the Hong Kong and Macao Affairs Office under the State Council, Ye Xuanping said he did learn that some Hong Kong newspapers are spreading such hearsay which is absolutely not true; it was not possible for him to take up the post in the past and he believes it will not possibly come true in the future because he is now 65 years old.

Referring to a remark made by Ye a few days ago that he wished to remain in Guangdong to help the province tide over its most difficult year, a reporter asked him how likely he thinks he is to have his wish fulfilled. Ye said he is over 65 years old and has passed the age limit for retirement; the reason he still keeps the post is that he is familiar with the circumstances in Guangdong and thus it is more suitable for him to stay in the province to carry

on the economic readjustment. He said he is duty bound and willing to accomplish his work in the province to straighten out the local economy.

College Rectification, Reorganization Viewed

HK2103103690 Beijing RENMIN RIBAO in Chinese
9 Mar 90 p 3

[Report by XINHUA reporter Zhao Wei (6392 5898) and RENMIN RIBAO reporter Wei Yufeng (7614 3768 7685): "China to Further Improve and Rectify Ordinary Institutions of Higher Learning"]

[Text] Changsa, 8 Mar (RENMIN RIBAO)—The Chinese Government will make a further effort to improve and rectify ordinary institutions of higher learning. A responsible member for the State Education Commission said that the commission will tackle the following problems: poor conditions of some colleges and universities; irrational distribution of colleges; irrational offering of professional courses; and arbitrary running of study classes, charges of fees, and issuing of diplomas, which the public is strongly against.

The relevant information shows that China's ordinary higher education has entered a new development period during the last 10 years. At present, China's higher education has initially formed an academic system which is basically complete in range and provided with different levels and forms, and has basically met the society's demand for professional personnel. But some problems arose in the course of development, such as the inconsistency between the improvement of teaching, studying, and living conditions and the expansion of higher education; failure by many newly founded colleges to meet the state's basic requirements; irrational distribution of colleges; irrational structure of branches of academic study; overlap in courses in disciplines; and disorder in colleges.

It is reported that the authorities concerned will first and foremost bring the expansion of higher education under control. During the period of improvement and rectification, the State Education Commission will not approve, in principle, establishment of new colleges while the ordinary institutions of higher learning will enroll as many new students as they do at present. During the next few years, ordinary colleges and universities across the country will define their missions and work out the development plan for the immediate future as well as the principles for personnel establishment and for distribution of expenditures.

Second, those colleges whose faculty, buildings, and other basic conditions fail to comply with the requirements prescribed will be urged to standardize their conditions within a time limit. The State Education Commission will publish a list of colleges every year, and those whose names are not on the list will be required to reduce enrollment. Those whose conditions fall short of a great deal of the state requirements shall not recruit students for a certain period. Those that fail to come up

to the state standards and whose teaching quality remains poor within a time limit shall be, in principle, closed down, merged into other colleges, or downgraded. It is understood that nine colleges were ordered to stop enrolling new students last year, and a number of colleges whose conditions fail to comply with the prescribed norm will be told to do alike this year.

Third, the irrational distribution of colleges will be readjusted, and those colleges which have only a single academic branch will be merged to raise the beneficial results.

Fourth, the authorities concerned will resolutely rectify the order in colleges. It is necessary to exercise strict control over the enrollment plan and put an end to the malpractice of recruiting more students than planned, arbitrary running of study classes, arbitrary charges of fees, and arbitrary issuing of diplomas. From now on, any discipline which takes two years or above to finish, for which a diploma is issued, shall be incorporated into the state plan. In the meantime, branches of colleges or post-secondary classes run by colleges will be screened and reorganized. Any college shall not run branches of any form elsewhere; all training classes shall be closed down; and post-secondary classes shall not recruit students.

Fifth, the distribution and structure of regular and professional courses of colleges will be reorganized so that the distribution of specialties, the proportion of some academic branches to others, and the proportion of the levels of regular courses to those of professional courses will become rational. It is also necessary to expand the adaptability of disciplines. Presently, importance will be attached to limiting the enrollment for specialties from which the graduates are in excess supply, and readjustment and transformation of the orientation of some specialties.

Li Tieying Welcomes Asian Games Athletes Home

OW2103213590 Beijing XINHUA Domestic Service
in Chinese 1411 GMT 17 Mar 90

[By reporters Liang Xiyi (4731 1585 0308) and Bao Jifu (7637 4949 4395)]

[Text] Beijing, 17 Mar (XINHUA)—The Chinese delegation was warmly welcomed and greeted by Li Tieying, CPC Central Committee Political Bureau member; Li Desheng, Standing Committee member of the CPC Central Advisory Commission; and other leading comrades at the capital stadium. The group had just won nine gold medals, nine silver medals, and eight bronze medals at the second Asian Winter Games.

At these winter games, Chinese athletes greatly improved their previous record (four golds, five silvers, and 12 bronzes). They shortened the distance with Japanese athletes, which shows a promising development trend for China's winter sports. Comrade Li Tieying congratulated the athletes for making a good

opening for Chinese sports in the 1990s. He thanked them for having admirably contributed to revitalizing China and promoting Chinese culture. Li Tieying also hoped that they would carry forward the spirit of patriotism, train hard constantly, make China a sports power, and win more honors for the motherland and the people.

Wu Shaozu, minister of the State Physical Culture and Sports Commission; Li Menghua, president of the All-China Sports Federation; and other leaders from relevant departments attended the welcoming meeting.

Jiusan Society Stresses Importance of Stability

HK2203032590 Beijing RENMIN RIBAO in Chinese
11 Mar 90 p 2

[Report by reporter Yuan Jianda (5913 0256 6671): "Plenary Session of Jiusan Society Stresses Maintaining Stability Is the Sacred Duty of Democratic Parties"]

[Text] Beijing, 10 Mar (RENMIN RIBAO)—The Second Plenary Session of the Eighth Central Committee of the Jiusan Society opened here today. Zhou Peiyuan, chairman of the society and vice chairman of the Chinese People's Political Consultative Conference, said in his written speech that "The CPC Central Committee's Opinion on Adhering to and Improving the Multiparty Cooperation and Political Consultative Conference Systems" released recently is a significant result of China's political restructuring, an important step in building socialist democracy, and also a programmatic document guiding us to strengthen the building of our society and to play the role as a political party participating in government and political affairs. He called on all comrades of the society to conscientiously study and carry out the "opinion."

The Jiusan Society is a democratic party mainly consisting of intellectuals in the scientific and technological as well as educational circles. Sun Chengpei, vice chairman of the society Standing Committee in charge of day-to-day business, said in his work report that since the last plenary session of the Central Committee the Jiusan Society has made certain achievements in establishing closer cooperative relations with the CPC, preserving the political stability, taking part in government and political affairs, and the building of the society."

He emphasized that maintaining political, economic, and social stability is an overriding task and a sacred common duty for democratic parties as well as for the CPC. We must subject our words and deeds to this overall interest. Honorary Chairmen of the Society Yan Jici and Jin Shanbao; Vice Chairmen Xu Caidong, Hao Yichun, Wang Wenyuan, Wu Jieping, Chen Mingshao, and Chen Xuejun; and Chairman of the Central Consultative Committee of the society Wang Ganchang were present at the meeting.

Military

Chi Haotian Writes on Lei Feng Spirit

HK1703030790 Beijing RENMIN RIBAO in Chinese
2 Mar 90 p 5

[Article by Chi Haotian, chief of general staff of the Chinese People's Liberation Army (PLA): "Learn from and Carry Forward Lei Feng Spirit, Strengthen the Building of the People's Army"]

[Text] Comrade Lei Feng was a great communist fighter and a brilliant symbol set up by the Central Committee and Comrade Mao Zedong in the 1960's for the whole party, Army, and nation. In the first spring of the 1990's after 27 years, the Central Military Commission calls on the whole Army once again to whip up an upsurge in learning from Lei Feng. This is of practical and far-reaching significance. The 1990's is an unusual era. These 10 years are not only a crucial stage at which the overall target of the socialist modernization of our country is achieved and a solid foundation laid down for the healthy development of our Army in the 21st century, but also a critical moment at which the international situation changes and the socialist system is confronted with a stern test. Lei Feng spirit is the spirit of wholeheartedly serving the people of the socialist times. The campaign to learn from Lei Feng in the 1960's made the mental attitude of our country and Army have a praiseworthy and profound change and produced powerful spiritual strength to overcome difficulties and forge ahead bravely. In the 1990's when we are facing the new situation and new tasks of doing a good job in socialist modernization construction and consolidating the socialist system, to enable our Army to fulfill its internal and external basic functions even better, to provide the socialist modernization construction with a social environment of stability and unity, to continue to push our cause forward, to make the Chinese nation stand independently among the nations of the world, to triumphantly carry out the struggle against infiltration, subversion, and "peaceful evolution," and to make the socialist system of our country more consolidated, it is necessary to learn from the Lei Feng spirit, to educate the people of the whole country and the commanders and fighters of the whole Army with Lei Feng spirit, and to train and bring up a new generation for building socialism with Chinese characteristics. In response to the call of the Central Military Commission, we must resolutely unfold in depth and on a long-term basis a drive to learn from Lei Feng with a high degree of revolutionary enterprising spirit and a sense of historic responsibility so as to further foster and enhance Lei Feng spirit. Through learning from and carrying forward Lei Feng spirit, we must further promote the political and military construction of our Army, build our Army into a modernized and regularized revolutionary army, guarantee that the gun forever obeys the command of the party, and make our Army become a great wall of steel for safeguarding socialism.

Learn from Lei Feng Spirit, Firmly Lay an Ideological Foundation for Our Army To Be Politically Qualified Forever

To be politically qualified forever is the most important political demand on our Army in the new period. "The class stand of being clear about what to love and what to hate, the revolutionary spirit of being as good as your word, the selfless communist spirit and proletarian fighting will that defies personal danger" embodied in Lei Feng spirit, is an indispensable political and ideological quality to guarantee that our Army will be politically qualified forever. We must learn from Lei Feng spirit and make efforts to lay a good ideological foundation for being politically qualified forever.

Like Lei Feng, we must be fully confident of socialism and communism and rigidly pursue them. Lei Feng was able to grow into an ordinary yet great communist fighter from a poor orphan because he had firm communist convictions and was good at turning the pursuit of lofty ideals into the practical action of struggling hard for the socialist cause. It is because of this that those who hanker after bourgeois liberalization do their utmost to vilify Lei Feng spirit while opposing the socialist road to which our country adheres. It is only socialism that can save China and develop China. That our country takes the socialist road enjoys popular confidence, accords with the will of the people, and is historically inevitable. Internationally and at home, there is now a trend of negating socialist history and the socialist system. We must clearly understand this. While socialism is facing a severe challenge, like Lei Feng, the officers and men of our Army must ardently love socialism, strengthen their faith in communism and the socialist road, struggle against the trend of negating socialism, and not lose the correct political bearings, whatever course the situation may take.

Like Lei Feng, we must infinitely and ardently love our party and be loyal to the party's cause. Lei Feng regarded the party as his mother and socialism as his lifeblood. He could merge his life and the party's cause into an organic whole, and the most basic reason is that the CPC is the leadership core in the triumphal advance of the socialist cause of our country. The cause cannot develop without the party and the individuals cannot grow without the party. "Every cell in my whole body is, as it were, permeated by the blood of the party," as he wrote in his diary. To be a revolutionary soldier who is forever politically qualified, we must, like Lei Feng, obey the party, trust the party, have the same heart and mind as the party, uphold the party's political discipline, resolutely oppose the words and deeds that sabotage party leadership, and be the people who are forever loyal to the party.

Like Lei Feng, we must firmly remember the aim of the party and wholeheartedly serve the people. Lei Feng had the proletarian outlook on life and his article of faith in life was: "Man lives to make the other people live more happily" and "the limited life must be devoted to the work of infinitely serving the people." Wholeheartedly

serving the people is the only aim of our party and our army as well as an important spiritual pillar of our Army. Devotion and sacrifice should be the duty of soldiers. To learn from Lei Feng, we must devote a lot of time and energy to the establishment of a correct outlook on life. At all times and under all circumstances, we must adhere to the concept of value and moral standard of serving the people and always put the interests of the party and the people above everything else and the individual interests must be unconditionally subordinated to the interests of the party and the people. Only by doing so can we consider questions from a correct standpoint and in the light of the interests of the people, consciously safeguard the interests of the people, and keep in line with the Party Central Committee ideologically and politically.

Learn from Lei Feng Spirit, Promote the Building of PLA Units

A political situation of stability and unity is the basic guarantee of achieving four modernizations and invigorating China. Stability is a major issue of the state as well as the supreme interests of the state. As General Secretary Jiang Zemin pointed out, the most important and overriding task of our country now is to maintain stability. A high degree of stability and centralization and unification of the Army is an important factor to guarantee the stability and security of the whole country. To maintain a high degree of stability of our Army, it is necessary to use the spirit of working hard to improve our Army's status as a united fighting collective. Lei Feng spirit is a model of the Chinese nation's spirit of working hard to make improvement and we should draw the spiritual strength from this.

Lei Feng showed no mercy to wrong thinking and the incorrect tendency. Such spirit is worth learning and fostering. Our Army does not live in a vacuum and likewise, it will be affected by the wrong trend of thought and incorrect tendency coming from all quarters, especially the trend of thought of bourgeois liberalization. We must not underestimate and lower our guard against the harm to the stability of the Army. With Lei Feng as our model, we must adhere to the four cardinal principles unremittingly and consistently and "like the autumn wind sweeping away the fallen leaves," clear away the influence of the trend of thought of bourgeois liberalization and maintain the purity of revolutionary thinking and the good common practice of actively making improvement.

Lei Feng had a high degree of consciousness for observing revolutionary discipline and is an example for us to learn from. At present, our country is improving the economic environment, rectifying economic order, and deepening reform. The rectification of economic order and reform involve the readjustment of interests. Where the individual interests contradict with the interests of the whole, we must, like Lei Feng, take the overall situation into consideration, abide by discipline, not say what is disadvantageous to the overall situation, and not do what is not beneficial to the overall situation. We

must be subordinated to the demands of the party and obey the command of the party in every action.

Lei Feng may be rated as a model in the aspect of united, mutual-aid, and harmonious relations among the people. The establishment of the relations between officers and men that tally with socialist spiritual civilization is an important content of building the revolutionization of PLA units. Like Lei Feng, our cadres must "treat comrades like spring warmth," cherish comrades, and show concern for the soldiers. Like Lei Feng, our fighters must respect cadres and obey administration. For a common revolutionary objective, we must build good relations between officers and men into relations as close as those between brothers and form a unified will and action.

Learn from Lei Feng Spirit, Further Enhance the Combat Effectiveness of Our Army

While the present international situation is unrestful and the international and domestic hostile forces that vainly attempt to sabotage the socialist system still exist, if the Army wants to effectively perform its basic functions of defending state security and safeguarding social stability, it must possess very strong combat effectiveness. Combat effectiveness is constituted by many factors, the most important one of which is man. Only by linking man with either weapons and equipment or strategy and tactics can combat effectiveness be formed. The enhancement of the combat effectiveness of our Army is first, in this sense, the improvement of the quality of man. As a soldier, his quality consists of two basic aspects, namely political quality and military quality. Comrade Lei Feng is a model emerging in our Army who had both military and political quality and are both red and expert. After joining the Army, Lei Feng was a good motor soldier and rendered meritorious service and were awarded on many occasions. The squad led by him was assessed as an advanced collective for two consecutive years and splendidly accomplished all tasks entrusted by the party and the people. To learn from Lei Feng, leaders must devote their energy to the training of revolutionary servicemen with ideals, morality, culture, and discipline. When the officers and men become servicemen with "four haves," the combat effectiveness of the PLA units will be enhanced very greatly.

In peacetime, the basic way to enhance the combat effectiveness of our Army is military training. As the center of the regular work of the PLA units, military training must be embodied in the action of every soldier. Like Comrade Lei Feng, we must establish a lofty objective of holding a gun for the people and training soldiers to safeguard the motherland. We must cherish the Army, receive military training, arouse our enthusiasm for training soldiers, strengthen the motive force to train soldiers, and consciously plunge ourselves into military training. Military technology is a branch of science. With the progress in modern science and technology and with the unremitting updating and development of weapons and equipment, we cannot really have

a good grasp of military technology without the necessary knowledge and assiduous training. In military training, we must, like Lei Feng, fear no difficulties, study and train hard, keep improving, and strive to improve our military quality. We must learn from Lei Feng spirit of engaging in a trade, loving it, and specializing in it. We must ardently love and study our work. We must do what the party asks us to do and make extraordinary contributions at an ordinary post.

Leading Cadres Must Take the Lead in Learning from Lei Feng Spirit and Being Loyal to the Party's Cause

In the new period of the socialist modernization construction, we must extensively, continuously, and penetratingly unfold the drive to learn from Lei Feng and the leading cadres at all levels must set an example, take the lead in learning from Lei Feng spirit, and play the key role. When the leading cadres learn from Lei Feng spirit, they must both promote the improvement of their own quality and promote the building of the leadership groups so as to make themselves become the people who are loyal to the party's cause and to make the leadership groups become the leadership groups that are loyal to the party's cause.

In his speech to mark the 40th anniversary of the founding of the country, General Secretary Jiang Zemin pointed out: "A Communist Party member who lacks accomplishments in the Marxist theory and is not good at applying the correct standpoint, viewpoint, and method to analyze and solve questions cannot bring his necessary role into play, nor can he become a qualified leading cadre of the party." Political firmness stems from theoretic firmness. To learn from Lei Feng, leading cadres must, like Lei Feng, regard Marxism as food, a weapon, and steering wheel, step up the study of the Marxist theory, especially Marxist philosophy, and make efforts to heighten their ideological and theoretic standards. The busier their work is, the more they cannot relax their study. We must foster Lei Feng's spirit of the "nail," find time to study by ourselves, study hard and persistently, arm our minds with Marxism, and have a good grasp of the scientific world outlook and methodology. Only by doing so can we clearly know the orientation in the complicated struggle, strengthen our sense of principle, systematicness, farsightedness, and creativeness, and direct the PLA units to accomplish all tasks entrusted our Army by the Central Committee and Central Military Commission.

Whether or not our leading cadres are honest in performing their official duties is a major issue that has a bearing on the life and death of the party and on the combat effectiveness of the PLA units. We must learn from Lei Feng's spirit of plain living and hard work and exert great efforts to do well in building a clean and honest government. The unhealthy trends of taking advantage of power to pursue private ends and of decadence and the corrupt phenomenon are incompatible with our Army's aim to wholeheartedly serve the people. Our leading cadres at all levels must emulate

Comrade Lei Feng in their practical actions, maintain the political nature of plain living and hard work, consciously adhere to "a high standard of work and a low standard of living," consciously ensure that plain living, hard work, and honesty are regarded as an honor, keep close links with the masses, share weal and woe with the masses, and combat ostentation and extravagance. They must correctly treat fame, positions, power, and interests and consciously go through the "five tests" of remuneration, families, money, eating and drinking, and human feelings. In building a clean and honest government, they must be as good as their word, first do what they ask others to do, and first not do what they ask others not to do. To have prestige and strength, the leading cadres themselves must work hard, be honest, and set an example. Only by doing so can they win the confidence of the officers and men and influence and bring along the PLA units.

Whoever grasps the gun plays an important part in guaranteeing the future and destiny of the state. The General Staff Department is a military work organ of the Central Committee and Central Military Commission and shoulders the tasks of organizing army-building and exercising operational command. Whether or not the cadres and leadership groups at all levels of the General Staff Department can be politically qualified forever is very important. We must use Lei Feng spirit to build leadership groups so as to make the gun be firmly grasped in the hands of those who are loyal to the party, motherland, and the people. Politics determines military affairs and military affairs serve politics. The leading cadres at all levels of the General Staff Department must consciously obey the party and its orders and command. They must go wherever the party points. In the face of the major issues of principle, we must take a clear-cut and firm stand and have the same heart and mind as the party. As we love our own eyes, we must obey and uphold the party's absolute leadership over the Army and implement this principle in all realms, including the political building of the General Staff Department and military work, to ensure that the gun obeys the party's command.

Economic & Agricultural

Roundup Views Taxation for Foreign Businesses

OW1803083190 Beijing XINHUA in English
0730 GMT 18 Mar 90

["Roundup: China Perfects Taxation Law Involving Foreign Firms"—XINHUA headline]

[Text] Beijing, March 18 (XINHUA)—A decade after promulgating its first tax law involving foreign businesses, China now boasts a comparatively matured system regarding the taxation of foreign firms and nationals in the country.

In addition to the law on the income tax the Sino-foreign joint ventures made in 1980, China has also issued its

foreign enterprise income tax law, individual income tax law, the State Council's regulation on encouraging foreign investment and several hundred detailed rules and local tax provisions in this respect.

The emergence of such a taxation system is a product of China's open policy and, in return, has greatly promoted the country's effort in opening to the outside world and in attracting foreign investment.

By the end of 1989, China has approved more than 20,000 foreign invested enterprises with a total amount of 30 billion U.S. dollars pledged by overseas investors.

A wide scope of tax holidays and favors is the first trademark of China's taxation system involving foreign businesses, which is evident in almost all legal documents in the area and has made China one of the most favorable investment outlet in the world.

In order to encourage more in-flow of foreign capital and technology into the country and boost Sino-foreign economic cooperation, the Chinese Government has constantly updated its taxation laws and regulations with various new favorable policies.

A favorable 15-percent income tax is charged on manufacturing joint ventures or solely foreign-owned businesses set up in China's five special economic zones or in the economic and technological development zones in the 14 open cities along the coast.

Enterprises in the zones which export 70 percent of their products are entitled to pay only a half of the 15-percent income tax after enjoying tax holidays for the first few years in line with various laws and regulations, while those which bring in advanced technology can extend their tax holidays for another three years.

Foreign-invested port construction projects in other places can also enjoy the 15-percent income tax treatment. If contracts on joint operation cover a period over 15 years, they can even have their tax obligations waived for the first five years and halved for the second five years.

To encourage foreign businesses to expand their investment in China, the taxation law stipulates that a 40-percent income tax refund can be granted to foreign investors if their income from the joint ventures are re-invested in China for projects covering a period at least of five years. A complete refund of their income tax will be made if their income is re-invested in opening or expanding export-oriented or technologically advanced enterprises that have a contracted period over five years.

Besides, when these foreign-invested firms import machinery and equipment that are within the investment quotas, they are exempted from customs tax, while their exports, if licensed by the state, are exempted from the industrial and commercial tax.

In order to encourage technology transfers to China, only a 10-percent income tax is charged on foreign investors

for their profit from selling technical know-hows to Chinese enterprises in such sectors as agriculture, scientific research, energy, transport and communications. Their profit can also be exempted from income tax if such know-hows are technologically advanced and sold under favorable terms.

The Chinese Government has also signed agreements with 25 nations regarding the prevention of double taxation and tax evasion. Of these agreements, 23 have already been enacted.

China's taxation authorities are planning new policies with regard to the legal framework involving taxation of foreign firms in an effort to protect lawful interests of overseas investors in the country and provide them with a ideal business environment compatible to international practice.

Foreign Debt Said 'Under Control'

OW1903093690 Beijing XINHUA in English
0918 GMT 19 Mar 90

[Text] Beijing, March 19 (XINHUA)—China's foreign debts have been brought under control, with the 1989 figure curbed at the previous year's level of about 40 billion U.S. dollars.

An official from the State Administration of Exchange Control said here today that the debt service ratio stood at 15 percent and the debt ratio, at 85 percent—far below the warning point of 25 percent for the debt service ratio and 100 percent for the debt ratio.

Of the total debt, short-term debts with terms of less than one year account for 10 percent, while medium- and long-term loans make up 90 percent, he said. "Thus, there is no problem about repayment."

He added that "the mix of foreign debts is also rational since the debt is made up of more than 20 foreign currencies, though U.S. dollars and Japanese yen account for 80 percent of the total."

Analysts here ascribed China's success in debt control to tightened macro-control and supervision over foreign debt, particularly the limitation of access to foreign borrowings to only 10 organizations.

The central bank is responsible for borrowing and repaying loans from the International Monetary Fund and Asian Development Bank, and the Ministry of Finance has kept control over World Bank loans.

The Ministry of Foreign Economic Relations and Trade is still empowered to negotiate foreign government credits. The Finance Ministry is drafting new measures for the allocation of these loans.

Although China will enter a foreign debt repayment peak in the early 1990s, especially in 1992, and will have to repay eight billion U.S. dollars in both interest and principle, he said, there will be no problem on this score.

Liu Zhongli, vice-minister of Finance, said, "China will not have any difficulty in repaying foreign debts in the 1990s because the debt service ratio will stay below 20 percent, though the debt will grow a little bit."

To ensure the repayment, the Chinese Government has taken measures to expand exports, including devaluating the RMB yuan 21.2 percent at the end of last year.

At the same time, China intends to take out a certain amount of new loans to repay old ones and establish a foreign debt repayment fund.

Cash Supply Expected To Ease, Boost Industry

HK1903025690 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19 Mar 90 p 1

[By staff reporter Wang Xiangwei]

[Text] The Chinese Government looks set to relax its tight hold on the money supply and boost consumer confidence in a bid to shore up plummeting industrial production.

Informed sources have told BUSINESS WEEKLY that Premier Li Peng is expected to announce a series of measures aimed at tackling economic problems in a report to the Third Session of the Seventh National People's Congress which opens on Tuesday.

One source said the government would probably consider dropping interest rates on deposits to encourage spending.

The country's industrial growth rate was 6.1 percent lower in January than it had been a year earlier.

And the growth rate during the first 10 days of February was eight percent down on that for the first 10 days of January.

Earlier this month, Li Peng called for greater efforts to boost industrial production, saying he wished to see an end to sluggish growth by the end of June.

As a prelude, the government announced last week that it would reduce commercial loan interest rates and consumption tax on Chinese-made colour TV sets.

China's central bank, the People's Bank of China, is to cut interest rates on commercial loans by 1.26 percentage points from March 21.

The reduction in consumption tax is aimed at promoting sales of colour TV sets on the currently sluggish market.

Some economists said the industrial growth rate would not have dropped to an historic low if the government had taken action in the third quarter of last year.

Officials said that relaxation of the money supply was now vital and promised to keep a tight rein over the total volume.

The government was unlikely to make any major changes in its current austerity programme, sources said.

China kicked off its austerity programme in September 1988 in the wake of runs on the banks and panic buying earlier that summer.

The programme has achieved two of its major goals—to scale down the money supply and cut inflation.

Statistics show that inflation in the major cities stood at 6.4 percent in November, compared with 27 percent in January 1989.

But the austerity measures have also caused serious economic problems rooted in the economic expansion in the early 1980s.

Many enterprises which relied on bank loans for working capital were plunged into chaos. They faced huge stockpiles of goods, low production capacity, and rising unemployment.

Meanwhile, consumers kept a tight hold on their purse strings and started putting their money in the bank. This was in response to the government's move to initiate index-linked deposits, which further precipitated the market slump.

BUSINESS WEEKLY learned that a survey of 19,000 state industrial enterprises showed that the value of their stockpiled finished products had soared by 81 percent to 56 billion yuan by the end of 1989.

As a result, debt defaults among Chinese enterprises are running as high as 110 billion yuan.

Economists said it was under such circumstances that the State had decided to ease its austerity measures to boost industrial production.

They also agreed that a moderate increase in investment and a reduction in interest rates should not trigger runaway inflation.

The People's Bank of China had already added new loans worth eight billion yuan to support industrial production.

And China's Industry and Commerce Bank had decided to provide 2.4 billion yuan to commerce departments to enable them to purchase more from enterprises.

Rise in Debt Defaulters Reported

HK1903025490 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 19 Mar 90 p 2

[By staff reporter Xiang Wei]

[Text] The number of enterprises defaulting on their debts is spiralling despite government efforts to solve the problem.

Debts amounting to 110 billion yuan (\$23.6 billion) currently remain unpaid.

Some economists have said that the government must do more to solve the problem—it should inject more money and launch a specialized bank for settling default payment of debts.

They called for prompt action by the central government to check any further rise in debt defaults which, they said, were threatening to plunge the country into a recession.

They said the clearing up of 110 billion yuan in default payments would help the country significantly at a time when many enterprises simply could not persuade banks to lend them money for production because of the tight monetary policy.

Many enterprises have been forced to scale down or stop production because of the debt default problem—either they owe or are owed money.

It seems that nobody has yet come up with an answer to the problem, which is worse because of the current market slump.

But some Chinese cities, such as Dalian in North China, have attempted to inject what they call "primer loans" to help enterprises settle outstanding debts.

And the initial results have proved very successful, according to the Chinese "Financial News."

It said the municipal government had agreed to help clear the city's debt defaults—totalling 2.8 billion yuan—in several stages.

The municipal government first established special offices and teams, headed by the mayor and vice-mayors, to investigate the problem.

It then chose six of the city's major enterprises and helped them pay back their own debts and retrieve the money they were owed by other enterprises.

For instance, the Dalian Steel Mill, one of the country's largest manufacturer of rolled steel could not afford to buy raw materials for production because of debt defaults.

In January, the mill had accounts receivable of more than 250 million yuan while owing other enterprises 175 million yuan.

The municipal government contacted those enterprises which had defaulted on debts to the mill and pressed them to pay back the money.

The government also asked the banks to provide a 10.5 million yuan loan to help the mill pay off its own debts.

As a result, the mill was assured enough working capital to maintain normal production.

In this way, the municipal government helped 216 enterprises settle 334 debt cases totalling 360 million yuan, the newspaper reported.

It said that these efforts helped push the city's industrial growth rate up by 12.7 percent in February compared with the same period last year.

In a new development, the PEOPLE'S DAILY reported recently that Dalian municipal government had joined forces with six other major cities in Northeast China to settle default payments.

The newspaper said that between March 7 and 12, senior officials from the seven cities in Dalian to take steps to clear outstanding accounts among all the cities' enterprises.

During the six days, the joint committee settled 2,232 cases of default payments for 1,129 enterprises, totalling 1.9 billion yuan (\$403 million).

However, officials in other parts of the country do not seem to have been as lucky as those in Dalian.

CHINA DAILY learned that default payments by enterprises throughout the rest of the country were continuing to rise very rapidly.

According to statistics provided by Shanghai's Industrial and Commercial Bank, the city's material suppliers and

commerce departments were owed more than 2.2 billion yuan in total in early February.

Banking experts warned that it was no easy task for those companies to retrieve the arrears.

For instance, they said, some enterprises which were behind with their payments had most of their funds tied up in massive stockpiles of raw materials and products.

Economists have suggested that the government should relax the tight money supply and reduce the interest rates for loans.

But the big question is where the loans should go if the money supply is relaxed?

Since early last year, the government has been providing unspecified loans to help enterprises clear up debt defaults.

But, the economists said, the results have not been that good. They said the loans should be given instead to the commercial departments to enable them to purchase more from factories with huge stockpiles.

Meanwhile, they said, the government should figure out a way to restore consumer confidence.

East Region

Jiangsu People's Congress Presidium Meets

OW2003210190 Nanjing XINHUA RIBAO
in Chinese 25 Feb 90 P 1

[Excerpts] The presidium of the Third Session of the Seventh Jiangsu Provincial People's Congress held its second meeting yesterday afternoon.

Zhang Yaohua, vice chairman of the provincial People's Congress Standing Committee and executive chairman of the Presidium of the Third Session, presided over the presidium meeting. Present at the meeting as nonvoting delegates were Chen Huanyou, governor of Jiangsu Province; Li Peiyong, president of the provincial higher people's court; Pu Mengling, chairman of the provincial planning and economic committee; and Jiang Qiwen, director of the provincial finance department.

The meeting listened to a report by Wang Xuecheng, secretary general of the third session, on examination of the provincial government's work report. Members of the presidium put forward some positive suggestions and comments on government work. Chen Huanyou spoke at the meeting. He thanked the deputies for their suggestions and comments on government work, and pledged to work hard, improve his work style, go down to grassroots units to keep in touch with the masses, perform policymaking well, and do his utmost to ensure success in all work and to accomplish the tasks assigned by the third session of the seventh provincial people's congress. [passage omitted]

At the meeting, Zhang Yaohua, who serves concurrently as chairman of the economic and social development plan and budget examination committee of the third session of the seventh provincial people's congress, delivered a draft report on examination of the draft economic and social development plan of Jiangsu Province for 1990, the report on the execution of the 1989 provincial budget, and the opinions concerning the projection of the 1990 provincial budget. Zhang Yaohua's report says: To ensure successful execution of the 1990 economic and social development plan and budget, the examination committee suggests that the province continue to seriously implement the central authorities' policy of improving the economic environment, rectifying economic order, and deepening reform. While controlling the scale of investment, we should strive to readjust the economic structure, straighten out economic relations, promote technological progress, improve economic management, achieve moderate industrial growth, strengthen macro-control, put the stress of economic work on enhancing economic efficiency, and lay a good foundation for sustained, stable, and coordinated economic development in the province. It is necessary to strengthen leadership energetically over agriculture, and adopt resolute and effective measures to improve the situation of fluctuation in agricultural production. [passage omitted] Cadres at all levels should

seriously improve their style of work, do more investigations and studies, keep in close touch with the masses, carry forward the fine traditions of working hard and being honest in performing official duties, and make new contributions to fulfilling this year's planned targets. It is necessary to have an overall point of view. Partial interests must be subordinate to the interests of the whole, and immediate interests must be subordinate to long-term interests. It is necessary to implement resolutely the policy of social and economic stability. Any measures for increasing an income and commodity price readjustment must consider the endurance of all quarters in society. Effective measures should be adopted to ban the unauthorized collection of fees and unauthorized apportionment, and to reduce surely the burdens of enterprises and peasants. Spending to ensure social stability, which is indispensable, must be properly funded. It is necessary to create more jobs and strive to maintain the political situation of stability and unity. The meeting deliberated and adopted the examination report.

Xiang Shouzhi at Nanjing Military Awards

OW2103213390 Beijing XINHUA Domestic Service
in Chinese 1305 GMT 17 Mar 90

[By reporter Jie Yanzhen (2263 5888 3791)]

[Text] Nanjing, 17 Mar (XINHUA)—A meeting to confer the title of "model regimental political commissar" to Yang Chongyuan by the Central Military Commission was held today in Nanjing.

Xiang Shouzhi, commander of the Nanjing Military Region, read the order of the Central Military Commission at the meeting. He also presented a first class heroic model medal and certificate to Li Mingying, wife of Yang Chongyuan.

Yang Chongyuan was the former political commissar of a certain artillery regiment under the Nanjing Military Region. He worked hard, suffered from torment of illness for a long time, and united his "buddies" to carry out hard struggle. He helped his little-known regiment to become an advanced regiment. Officer and fighters called him the "Jiao Yulu of the Army." He died on duty on 1 January 1989.

Fu Kuiqing, political commissar of the Nanjing Military Region, spoke at the meeting. He called on commanders and fighters, particularly various levels of leading cadres, to learn from Comrade Yang Chongyuan.

Shandong Officials Review Plenum Decision

SK2103132590 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 19 Mar 90

[Text] The Shandong Provincial CPC Committee held a conference of party-member leading cadres of the province, as well as cities and prefectures, in Jinan on 18 and 19 March to relay, study, and work out ways to implement the guidelines of the sixth plenary session of the 13th party Central Committee. The conference called on

the vast number of party-member cadres throughout the province to take the guidelines of the sixth plenary session of the party Central Committee as a guide, work hard in unity, carry out fruitful work to stabilize the situation, develop the economy, and maintain close ties between the party and the masses and between cadres and the masses, and make new progress in the province's economic work and other undertakings.

Jiang Chunyun, secretary, and Ma Zhongchen and Zhao Zhihao, deputy secretaries of the provincial party committee, presided over the conference. Jiang Chunyun relayed the guidelines of the sixth plenary session of the 13th party Central Committee and, on behalf of the provincial party committee, spoke on opinions on ways to implement the guidelines.

Jiang Chunyun said: The sixth plenary session of the party Central Committee is a crucial session held by our party at a crucial moment. The session made a decision on strengthening the ties between the party and the people, and was a session with an great and far-reaching significance.

Jiang Chunyun urged: Party organizations at various levels and the vast number of party members should implement the party Central Committee's decision with a spirit to rectify work styles and be determined to carry out its guidelines to the letter. At present, we should focus on five aspects of work.

First, we should unify the thinking of all party-member cadres in line with the guidelines of the decision. All levels, trades, professions and units throughout the province should organize the vast number of party-member cadres, especially leading cadres, to conscientiously study and master the guidelines of the sixth plenary session of the party Central Committee, conscientiously study the theories on the mass line and the mass viewpoint given by the revolutionary teacher, and conduct reeducation on the Marxist material conception of history, and on the party's nature, purpose, and fine traditions.

Second, with the major points in mind, we should be determined to solve the conspicuous problems that affect the ties between the party and the masses and between cadres and the masses. When implementing the decision, party organizations at various levels should be active and take immediate action instead of waiting to solve the problems the masses are most concerned about and most dissatisfied with, and which we are provided with necessary conditions to solve. We should continue the endeavors to improve party style, maintain honest performance of official duties, and struggle against corruption. We should pay attention to major and serious cases from the beginning until they are sternly handled.

Third, we should carry out down-to-earth work and stress actual results. In implementing the decision, the key lies in our practice and action. We should carry out more practical work and refrain from superficial work and rushing headlong into mass action. When going

down to grass-roots levels and the masses, we should go in simple clothes, simple cars, and with fewer aides. We should refrain from creating inconveniences at the grass-roots levels and with the masses. We should set their minds at ease, not create trouble for them.

Fourth, leading organs and leading cadres should set an example in taking action. Leading comrades at various levels should take the lead in studying the decision, changing their work styles, going down to the grass roots and the masses, working for the interests of the masses, and remaining clean and honest in official duty performance. Each level should set an example for the next lower level to follow and be responsible for its work so that the work from high down to the grass-roots level in urban and rural areas is attended to.

Fifth, we should earnestly summarize and popularize good experiences and methods, and actively explore new experiences.

Jiang Chunyun stressed: We should truly take stability as the focus, the starting point and the ending point of all our work, and adopt all possible means to ensure the stability of the entire province. While relaying and implementing the guidelines of the sixth plenary session of the party Central Committee, at present, we should also concentrate efforts on conducting the education on the current situation, revolutionary traditions, adherence to the four cardinal principles, and opposition to bourgeois liberalization. Meanwhile, we should launch large-scale activities to learn from Lei Feng, the iron man, Jiao Yilu and Lai Ning, and advocate in the entire party and entire society the noble spirit of loving the party, loving the country, loving socialism, and selfless devotion. The system of having leaders assume full responsibility should be enforced at every level, and the efforts of specialized organs and the masses should be combined to comprehensively strengthen management of public order and strive to consolidate and develop the stable and united political situation.

Jiang Chunyun stressed: We should carry out our work in a down-to-earth and successful manner and promote our province's economy with a firm determination. The general economic situation of our province is in good shape, but the situation in current industrial production is grim, and contradictions and difficulties are very conspicuous. While making continuous efforts to strengthen agriculture and successfully develop it, we should lose no time to promote industrial production with concentrated efforts.

Jiang Chunyun pointed out: We have many favorable conditions for promoting industry. The key is for the people at higher and lower levels throughout the province to achieve unity in their thinking, arouse their spirit, fully develop their subjective initiative, and change the passive situation created by the sluggish market. The provincial party committee and government decided to fight an overall battle to extricate industrial production from difficulties as we did in combating drought last

year. We should devote efforts and time to fighting the battle in April, May, and June with concerted efforts, advance despite difficulties, make a breakthrough in changing the sluggish market, and promote industrial production.

Jiang Chunyun urged: Top leaders of party and government departments at various levels should focus their attention on industrial production and personally go to production sites to give guidance. They should quickly put into practice the State Council's policy measure of properly adjusting and controlling (?profit rate). We should further emancipate our minds, continue the in-depth reform, use reform to start up the market, expand circulation, invigorate enterprises and enliven the economy. Based on market changes, enterprises should step up adjustment of product mix, and attract and guide consumption with readily available market products, good-quality and low-priced goods, and good service.

In conclusion, Jiang Chunyun called on all localities and units, while relaying, studying, and implementing the guidelines of the sixth plenary session of the party Central Committee, to advocate the need for unifying thinking and meet the need with actual deeds simultaneously, and take the guidelines as a great motivating force to facilitate a new development in the province's economic work and other undertakings.

Ma Zhongchen, deputy secretary of the provincial party committee, relayed the relevant documents of the sixth plenary session of the 13th party Central Committee. Before this conference, the provincial party committee held an enlarged Standing Committee meeting on 15 March to relay the guidelines of the sixth plenary session of the party Central Committee to party-member cadres at and above the deputy provincial level. It also held a Standing Committee meeting on 16 March to study and discuss the guidelines of the sixth plenary session of the party Central Committee and, based on the actual conditions of our province, studied ways to implement them.

Attending the conference were Standing Committee members of the provincial party committee; the chairman and vice chairmen of the provincial advisory commission; the secretary of the provincial discipline inspection commission; the secretary of the leading party group of the provincial people's congress Standing Committee; provincial vice governors; the secretary of the provincial committee of the Chinese People's Political Consultative Conference; the secretaries of the leading party groups of the provincial court and procuratorate; responsible comrades of various city and prefectural party committees, party committees of large enterprises, leading party groups and party committees of the departments directly under the province, and party committees of institutes of higher learning; and members and alternate members of the party Central Committee, members of the Central Advisory Commission, and members of the Central Discipline Inspection Commission living in Jinan, totaling 275 persons.

Zhejiang Bribe-Taker Given Sentence, Reprieve

OW2203053990 Beijing XINHUA Domestic Service
in Chinese 1138 GMT 21 Mar 90

[By correspondent Yue Yaoyong (1471 5069 0516) and reporter Huang Guomin (7806 0948 3046)]

[Text] Hangzhou, 21 Mar (XINHUA)—Li Tianmin, an arch bribe-taker who accepted 180,000 yuan of bribe money through his office, has been sentenced to death, with a 2-year reprieve, by the Jinhua Municipal Intermediate People's Court in Zhejiang. The verdict has been approved by the Zhejiang Provincial Higher People's Court.

Li Tianmin, 59, was a party member-cadre who had retired from the Beijing Meter and Gauge Plant. After he was hired in 1988 by the Beijing Huanong Trading Company under the Ministry of Culture as its business manager, he worked in collusion with townsman Li Mingfu, deputy head of the Department of Foreign Economic Relations and Trade under the State Planning Commission. Taking advantage of their offices, they sold to the First Zhejiang Jinhua Company 700 color television sets which the Huanong Company had purchased from the First Chengdu Radio Equipment Plant, enabling the Jinhua Company to make a windfall profit by selling the television sets at a high price. Because of the deal, Li Tianmin accepted a bribe of more than 180,000 yuan, and Li Mingfu accepted a bribe of some 13,000 yuan.

Procuratorial organs in Zhejiang began to investigate the case in January 1989 and arrested Li Tianmin and Li Mingfu the same month. On 30 June 1989 the Jinhua Municipal People's Procuratorate initiated a public prosecution against the two with the Jinhua Municipal Intermediate People's Court. At the end of the trial the court pronounced Li Tianmin and Li Mingfu guilty of taking bribes, and then sentenced Li Tianmin to death with a two-year reprieve, and Li Mingfu to five-year imprisonment. Li Tianmin and Li Mingfu did not request a second trial after their verdicts were pronounced.

Southwest Region

Tibet NPC Deputies Discuss Li Peng's Report

HK2203074790 Lhasa Tibet Regional Service
in Mandarin 1130 GMT 21 Mar 90

[Excerpts] On 20 and 21 March regional deputies to the Third Session of the Seventh National People's Congress [NPC] and the Third Session of the Seventh National Committee of the Chinese People's Political Consultative Conference listened to and discussed Premier Li Peng's government work report in the Great Hall of the People and listened to and discussed a report on the implementation of the 1989 national economic and

social development plan delivered by Zou Jiahua, state councillor and chairman of the State Planning Commission. [passage omitted]

Regional deputies to the NPC and members of the Presidium, including Ngapoi Ngawang Jigme, Hu Jintao, and Jiangzhong Zhaxi Doje, were seated on the rostrum. [passage omitted]

During an interview by reporters, these regional deputies said that the ongoing NPC session is very important to promoting the country's construction, reform, and opening up and to maintaining stability. They pointed out that this session will follow the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, stabilize the domestic situation, strengthen solidarity between different nationalities in the country, and boost their morale. [passage omitted]

North Region

Hebei Holds People's Congress Elections

OW1903031290 Beijing XINHUA in English
0202 GMT 19 Mar 90

[Text] Shijiazhuang, March 19 (XINHUA)—The nationwide election for deputies to the people's congresses at the county and township levels is now well underway.

In Nangong City, Hebei Province, over 288,000 voters flocked to the polling booths over the past few days, and elected 239 deputies to the city people's congress—57 more than to the previous congress—and 1,463 deputies to the township people's congress—an increase of 363 compared with the previous congress.

According to a local official, people without party affiliation and intellectuals make up one third of the total number of new deputies.

Peasants account for 43.5 percent, and women, 21.3 percent. Both sectors recorded increases compared with the figures for the previous congress.

Meanwhile, the numbers of leading officials from the Chinese Communist Party and from administrations at various levels were reduced by roughly two-thirds. A number of deputies from the previous congress failed to be re-elected, the official said.

"We should make full use of our rights in the current election," said a voter named Shi Qunpu, adding, "it took nearly a month for us to consider the candidates because we are picking people to speak for us in the congress."

China resumed the election of deputies to national and local people's congresses in 1981 following the 1966-76 "Cultural Revolution", when practically all laws were abolished. The new Electoral Law came out in 1979.

Deputies to the lowest congresses, at the township level, and their next higher congresses, at the county (district) level, are directly elected by voters.

The people's congresses, the grassroots power organs of the Chinese political structure, in 2,700 counties and 90,000 townships (?decided) to hold elections this year. Nearly 700 million voters will elect deputies to the new people's congresses.

According to the Electoral Law, all Chinese citizens aged 18 and above—except those who are deprived of political rights—have the right to vote and to stand for election as people's deputies, regardless of their political beliefs, family background or residence duration.

The initial number of candidates is based on the total population of each constituency. A formal list of candidates is prepared after repeated discussions and consultations among voters. Then election competition is conducted through secret balloting, said Shi Qingge, an official from the Nangong City Election Committee.

The whole process is carried out in strict accordance with the country's Electoral Law and in a democratic way, he added.

Wang Presides at Inner Mongolia Plenum Opening

SK1903013090 Hohhot Inner Mongolia Regional
Service in Mandarin 1130 GMT 17 Mar 90

[Text] The second plenary session of the fifth regional party committee opened in Hohhot today. The guidelines of this session are to take the spirit of the Sixth Plenary Session of the 13th CPC Central Committee as the guiding principle, conscientiously study and implement the decision of the CPC Central Committee on strengthening the flesh-and blood ties between the party and the masses of people with the spirit of rectifying work style, further unify thinking and enhance understanding, maintain close ties between the party and the masses with concrete deeds, safeguard and develop political, economic, and social stability in the region, and promote all fields of work in the region.

Attending this session were 43 members and 5 alternate members of the regional party committee. Members of the regional Advisory Commission and of the regional Discipline Inspection Commission attended the session as observers.

Also attending the session as observers were party-member leading comrades of the regional People's Congress, the regional government, and the regional Committee of the Chinese People's Political Consultative Conference [CPPCC], principal responsible persons of various departments and committees of the regional party committee, various committees, offices, departments, and bureaus of the region, mass organizations and leading party groups of various units directly under the region, secretaries of the party committees of various organs and other responsible party comrades.

Comrade Wang Qun presided over this morning's plenary session. Bu He, Zhang Dinghua, Qian Fenyong, Wen Jing, Liu Yunshan, Chen Kuiyuan, and Wuyun-qimuge attended the session.

Wang Qun gave a speech at the beginning of the session. He said: The decision of the CPC Central Committee on strengthening ties between the party and the people which was discussed and adopted at the Sixth Plenary Session of the 13th party Central Committee prudently sets demands on maintaining close ties between the party and the masses. This is of major practical significance not only in realizing the further development of our country's political and economic stability but will also produce a profound and far-reaching influence in realizing the party's general objectives and tasks during the new period and in promoting the great socialist cause with Chinese characteristics. The main tasks of this plenary session are to relay and study the guidelines of the Sixth Plenary Session of the 13th CPC Central Committee, and in line with the actual situation in the region, to put forward tasks and measures for implementing these guidelines.

At this morning's session, Wang Qun, Bu He, Zhang Dinghua and Qian Fenyong respectively relayed the decision of the Sixth Plenary Session of the 13th CPC Central Committee, and the guidelines of the important speeches given at the session by Comrade Jiang Zemin and Li Peng.

Inner Mongolia Congress To Discuss Assembly Law

SK2003043090 Hohhot Inner Mongolia Regional Service in Mandarin 1130 GMT 19 Mar

[Text] Badalahui, news spokesman of the regional People's Congress Standing Committee, announced today that the 12th Standing Committee meeting of the Seventh Inner Mongolia Regional People's Congress will be held in Hohhot on 23 March.

The suggested items on the agenda of the meeting are to discuss Hohhot City's provision on the implementation of the PRC law on assemblies, parades and demonstrations which was submitted to the meeting for approval by the Hohhot City People's Congress Standing Committee, and Baotou City's provision on the implementation of the PRC law on assemblies, parades and demonstrations which was submitted to the meeting for approval by the Baotou City People's Congress Standing Committee. The meeting will last for 2 days.

Badalahui said: The PRC law on assemblies, parades and demonstrations was promulgated for implementation on 31 October 1989. Our region has a vast territory where the situations in various leagues and cities differ greatly. The formulation of an implementation plan in the region will require many investigations and the study and solicitation of opinions from various quarters. This process will also need a designated time period. Before the regional people's congress standing committee's formulation of an implementation plan, it is absolutely

necessary for the Hohhot and Baotou City People's Congresses to proceed from their actual situations and to rapidly formulate provisions for the implementation of the law. This has great significance in implementing the principle of the Central Committee that stability is an overriding task, in realizing stability in Inner Mongolia and in promoting the formulation of the regional implementation plan.

Shanxi Leader Views Courts' Role in Stability

HK1903110390 Taiyuan SHANXI RIBAO
in Chinese 18 Feb 90 p 1

[Report: "Provincial Party Secretary Li Ligong Stresses That Judicial Work Must Serve the General Purpose of Maintaining Stability"]

[Text] Provincial CPC Committee Secretary Li Ligong and Governor Wang Senhao attended the provincial meeting to commend the advanced collectives and advanced individuals in courts at various levels on 17 February. They pointed out that the people's courts at various levels should fully perform their functions as judicial organs and serve the general purpose of maintaining political stability and maintaining stable law and order in this province.

In his speech at the meeting, Li Ligong said: Courts at all levels should educate the masses of cadres and policemen in order to make them fully realize the intensity, complications, and protracted nature of the struggle in a socialist country against the infiltration, subversion, and "peace evolution" attempts of the international hostile forces, fully realize the arduousness and long-term nature of the struggle to maintain the four cardinal principles and to oppose bourgeois liberalization, and fully realize the great importance of maintaining a stable political situation for readjustment, rectification, and in-depth reform. The people's courts constitute an important component part of the state apparatus, and their main tasks are to "deal blows at the enemies, protect the people, punish criminal offenders, and serve the four modernizations." At present, courts at all levels should fully perform their functions as organs for exercising dictatorship for the purpose of maintaining political, social, and economic stability. First, it is necessary to maintain the people's democratic dictatorship, deal severe blows at the counterrevolutionaries who are hostile to the socialist system and who try to sabotage the people's democratic dictatorship as well as other criminal offenders in order to guarantee the stability in our country's political situation and promote the development of economic construction. Second, it is necessary to severely punish the criminal offenders involved in the cases of the "six vices" without delay, check the spread of various wicked social phenomena, clean public conduct, and promote the construction of socialist spiritual civilization. Third, it is necessary to strengthen the handling of economic disputes and bring the regulatory role of the people's courts in socialist economic relations into play, safeguard the state's

normal economic order, protect the legitimate economic rights and interests of citizens and legal persons, and guarantee and promote the stability in this province's economic situation. Fourth, it is necessary to strengthen the handling of cases related to civil disputes, safeguard the people's normal work order and life order, and guarantee and promote stability in this province's law and order.

At the commending meeting, leading comrades of the provincial party committee, the provincial advisory commission, the provincial people's congress, the provincial government, the provincial committee of the Chinese People's Political Consultation Conference, and the provincial disciplinary inspection commission, including Li Ligong, Wang Senhao, Wang Tingdong, Zhang Bangying, Feng Zhimao, Zhao Yuting, Zhang Jianmin, Liu Yanqing, and Wang Xi, together with Zhao Yaoren, president of the provincial high-level court, and Yi Yaoguang, chief procurator of the provincial people's procuratorate, issued awards to six units and 26 individuals who won Merit Citation Class Two and to 22 grass-roots people's courts which won the glorious title of advanced collective.

Wang Tingdong, chairman of the provincial people's congress standing committee, and Zhao Yuting, deputy chairman of the provincial advisory commission, also gave speeches and put forward their hopes and requirements for the deputies attending the meeting.

Shanxi Holds Propaganda Work Meeting

HK2003072990 Taiyuan SHANXI RIBAO
in Chinese 24 Feb 90 p 1

[Report: "Provincial Party Secretary Li Ligong Attended and Addressed Provincial Meeting of Prefectural, City, and County Propaganda Department Directors"]

[Text] The meeting of propaganda department directors from all prefectures, cities, and counties in this province was held from 21 to 23 February. The meeting mainly dealt with the key points of this year's propaganda work, and laid down an explicit guideline for this year's propaganda work in this province, that is, further implementing the spirit of the fourth and fifth plenums of the 13th party Central Committee, further ensuring the fulfillment of various tasks specified in the central circular and the provincial party committee's circular on strengthening the propaganda and ideological work, and providing reliable ideological guarantees and a favorable opinion environment for maintaining economic, political, and social stability and for keeping people's feelings stable.

Before the meeting concluded, Provincial CPC Committee Secretary Li Ligong and Deputy Secretary Wang Maolin gave important speeches.

Comrade Wang Maolin elaborated four points concerning this year's propaganda work in this province. First, extensive and deeply conduct education in the

current situation and consolidate social stability. When conducting education in the current situation, we should make serious investigations and actually keep well informed on what the people are thinking about. Party committees at all levels, especially the propaganda departments, must go deeply among the masses and go to the grass-roots units to study the thinking trends among the masses, to gauge the pulse of the people's thinking, to solve the problems as soon as they appear, and to settle the contradictions when they are still brewing. The correct political principles must be maintained, and education in the current situation should be conducted on a scientific basis. Comparison should be made between the socialist system and the capitalist system; wide publicity should be given to the achievements in the past 40 years since the founding of the PRC, in the past 10 years since reform and opening up began, and in the past year since economic readjustment and rectification began; and a timely and convincing explanation of the current difficulties in our political and economic life and the causes of these difficulties should be given to our cadres and the masses. All available opportunities should be used to make breakthroughs in such education. On the occasion of marking the 150th anniversary of the opium war, the relevant historical facts should be used to educate the masses so that they will better understand that only socialism can rescue and develop China. Second, seriously study the basic theory of Marxism and approach the party's ideological construction with a correct world view and a correct methodology. Only by strengthening the study of the Marxist theory can we master the scientific world view and methodology and establish a correct outlook on life and correct values; and only thus can all comrades in our party acquire keen political insight and enhance the ability to distinguish right from wrong. Therefore, the propaganda departments at all levels should actually strengthen their leadership over the study of the Marxist theory, establish and perfect necessary rules and regulations in this regard, and solve some current problems in reality through the theoretical studies. The study must be linked with criticizing the viewpoints of bourgeois liberalization and lead to the enrichment and development of Marxism. Third, unswervingly carry on the struggle against bourgeois liberalization and resolutely and properly fulfill the consolidation of the journalism, theoretical, literature and art, and publishing institutions. The most important link in the consolidation of these institutions is ideological rectification. The influence of the bourgeois liberalization ideas in the past years in these circles must be seriously eliminated. Aside from maintaining the basic political orientation and ensuring the party's leadership, efforts should also be made to actually rectify the style of writing and the style of study and to build up trade ethics in these circles. At the same time, resolute organizational steps should also be taken for the rectifying and consolidating purpose. Fourth, strengthen the party's leadership over the work in the ideological realm and effect self-improvement on the propaganda and ideological

front. Party committees at all levels must attach importance to, and strengthen, their leadership over the propaganda and ideological work. Comrades engaged in propaganda work should also fully realize the importance of their work. They should boost their morale, remove various disturbances, and do a good job. The propaganda departments of party committees at all levels should properly manage cadres on this front in light of the relevant instructions of the party central leadership and the provincial party committee. Propaganda cadres should also pay attention to investigations and studies and act as advisers and assistants for the party committees.

Comrade Li Ligong stressed that in the coming year, the propaganda departments of the party committees at all levels should conduct education in maintaining close ties with the masses, should sum up experience, and should use typical cases to educate the masses in order to establish the party's brilliant image. He said: Strengthen the party's ideological construction is a basic function of the propaganda departments. Under the present favorable conditions, comrades on the propaganda and ideological front must not be off their guard. They should continue to place the subject of upholding the four cardinal principles and opposing bourgeois liberalization in an important position. In the ideological field, cadres and the masses should be helped to understand why China must be led by the Communist Party and why we must take the socialist road. The work of developing the economy should be integrated with strengthening ideological and political work. We must not lay excessive stress on one side to the neglect of the other side. Then, I would like to stress the issue of maintaining close ties with the masses. Our party's purpose is to serve the people wholeheartedly. It is necessary to tell party organizations at all levels as well as all party members and cadres that they must not divorce themselves from the masses at any time, still less should they divorce themselves from the masses when victories are won. If the ties with the masses are severed and if we lose the support of the masses, the party will certainly fall from power. Now, some cadres only direct their eyes upward. They only fear offending their superiors, but they never fear of offending the masses. Such an attitude is incorrect. Leading cadres must direct their eyes downward. Those who do not really seek benefit for the masses are not good cadres. Once such cadres are discovered, they should be replaced or dismissed from office as they deserve. In short, we should, through education, prompt our cadres to improve their work style and to take root among the masses. When strengthening and improving our propaganda work, we should still use concrete, typical, vivid, and convincing cases to educate the masses and to refute some anti-party elements' vilification of the party's image and their attacks on the party. Inside the party, there are official profiteers and corrupt officials, but the number of such people is very small. We have a large number of model party members and outstanding cadres. Their progressive deeds should be

used to educate the masses. Thus, healthy and progressive public conduct will take shape in the whole society.

Shanxi Holds Anticorruption Conference

*HK2003082890 Taiyuan SHANXI RIBAO
in Chinese 23 Feb 90 p 1*

[Report by Li Jianrong (2621 1696 2837) (not identified): "Li Ligong Attends and Addresses a Provincial Telephone Conference on Building an Honest and Clean Government, and Combating Corruption"]

[Text] On the afternoon of 22 February, the provincial party committee and provincial government held a provincial telephone conference on building an honest and clean government, and combating corruption. The conference was presided over by Wang Maolin, deputy secretary of the provincial party committee. Feng Zhimao, member of the provincial party committee standing committee and secretary of the provincial discipline inspection commission, reported the 1989 provincial situation in building an honest and clean government and combating corruption, and made arrangements for combating corruption and advocating honesty this year. Li Ligong, secretary of the provincial party committee, spoke. The principal responsible comrades of five groups—provincial party and government leaders, all departments concerned, and all prefectures, cities, and counties—attended the conference.

A good momentum in building the party's workstyle and the government's workstyle, with building an honest and clean government as the key point, emerged in our province in 1989. 1) The party committees and governments at all levels attached great importance to this work and the principal leading comrades personally grasped it. 2) Important progress was made in the investigation and handling of cases with the focus on anticorruption and anti-bribery and in particular, a relatively big breakthrough was made in the investigation and handling of the big and serious cases. Last year, the provincial discipline inspection commission, provincial supervisory department, procuratorate, industry and commerce bureau, and public security department placed on file for investigation and prosecution 16,000 cases of violation of law and discipline (excluding criminal cases); completed 14,568 cases, 91 percent of the cases placed on file for investigation and prosecution; and party disciplinary actions and administrative disciplinary actions were taken against 2,842 persons. 3) Apparent achievements were scored in straightening out and consolidating companies; 1,431 companies of various kinds were abolished, merged, or transformed; and these companies accounted for 19.8 percent of the total number of companies and made up 55 percent of the companies newly set up since the last half year of 1986. 4) The unhealthy trend of using public funds to give dinners and gifts and to eat and drink extravagantly was greatly reduced. 5) The system of an honest and clean government was gradually established in depth.

Our determination to strengthen the building of an honest and clean government and to punish corruption is great and the results are outstanding. We have made a good start. However, the achievements we have scored fall far short of the demands of the Central Committee and the expectations of the people. We must not overestimate the achievements scored. There is a lot of work to do in both establishing the system and investigating and dealing with the big and serious cases. Moreover, the work done by all places has not developed evenly.

In 1990, the party committees and governments at all levels must continuously and penetratingly implement the spirit of the fourth and fifth Plenary Sessions of the CPC Central Committee and the spirit of the eighth plenary (enlarged) session of the provincial party committee; center on the improvement of the economic environment, rectification of economic order, and deepening of reform; and emphasize six aspects of work in the building of an honest and clean government and the struggle against corruption: 1) It is necessary to continuously implement the provincial party committee's and provincial government's "decision on resolutely punishing corruption, building an honest and clean government, and doing six things well in the near future" as well as the relevant stipulations made by all places and departments. We must do what has not been done and persist in doing what has already been done. Those who repeatedly make mistakes must be dealt with more seriously. 2) It is essential to seriously investigate and deal with a number of people who disregard the line, principles, and policies of the party and repeated injunctions of the Central Committee, State Council, provincial party committee, and provincial government; go in for the malpractice of "you have policies and I have countermeasures;" commit a crime; and violate discipline. 3) It is imperative to pay attention to the "hot-button" questions which are disclosed in society and with which the masses are concerned and to seriously investigate and deal with them. I) The questions of party and government cadres at and above the township level building private houses in contravention of the law, regulations, and discipline, occupying more houses than they are entitled to, and using public funds to decorate their houses above the standards should be seriously handled according to the relevant regulations. II) The "small treasury" privately set up by party and government organs, enterprises, and institutions must be thoroughly straightened out. 4) Stress must be continuously laid on the investigation and handling of the big and serious cases that involve party and government organs, especially party and government leading cadres at and above a county level, making deals in power and money, committing graft, receiving bribes, and taking advantage of their functions and power to commit blackmail and involving bribery of law enforcement personnel perverting justice. This work cannot be relaxed in the slightest. This year, a relatively big breakthrough must be made in the investigation and handling of the cases of reselling important means of production that involve the

coal, financial, capital construction, transport, and marketing departments and all kinds of companies. On the foundation of the experiences already acquired and summed up, the cases involving an enormous amount of property whose source is unknown must be continuously investigated and dealt with. 5) The unhealthy trends prevailing in the cadre personnel work must be resolutely corrected, investigated, and dealt with. Those who do not act according to the party's principles, regulations, and procedure, who violate the regulations of the central authorities and provincial party committee, who appoint people by favoritism, who form cliques and factions to pursue their own selfish interests, and who go in for unhealthy trends must be resolutely investigated and dealt with and in some cases, the responsibility of the leaders concerned must be investigated and affixed. Only by doing so can we guarantee that the leadership power at all levels is really grasped in the hands of Marxists. 6) It is imperative to continuously implement the system of making known to the public the regulations of work and the results of work. On the foundation of pilot projects, we must seriously sum up and popularize experiences. Furthermore, we must establish the procedure of examination and approval in the system of internal work, put it on a sound basis, and strengthen the internal restrictive mechanism to stop up loopholes.

Li Ligong, secretary of the provincial party committee, emphasized the necessity of further fully understanding the extreme importance and urgency of building an honest and clean government in a down-to-earth manner. He demanded that the party and government leaders at all levels, especially the principal leaders, play an exemplary role in three aspects. (Excerpts of speech will be issued separately)

Peng Zhen Recalls Shanxi Party History

HK2003065090 Taiyuan SHANXI RIBAO in Chinese
6 Feb 90 p 1

[Text] Comrade Peng Zhen, who is now 88, recently invited Shanxi Provincial CPC Secretary Li Ligong and some comrades of the Research Office of the provincial party committee to his residence in Beijing on two occasions to review Shanxi's party history. Cheng Zihua, Standing Committee member of the Central Advisory Commission, and Zheng Hui, deputy director of the Central Party History Research Office, were also present on these occasions.

In his speech, Comrade Peng Zhen first reviewed the party's early activities in Shanxi. He cherished with intense emotion the brilliant achievements of the initiators of the party and league organizations in Shanxi, including Gao Junyu, Wang Zhenyi, Huo Chang, and a number of revolutionary martyrs. Comrade Peng Zhen emphatically pointed out: Li Dazhao, one of the main founders of the CPC, was a great proletarian revolutionary. Gao Junyu was a close assistant to Comrade Li Dazhao and a leader of Shanxi party organizations at the early stage. He was a pioneer of Shanxi's communist

enlightened movement and an outstanding political activist. He founded the Taiyuan Communist Party and Youth League and dedicated his life to the communist cause. With his education and help, we joined the Communist Party and took the revolutionary road. Comrade Peng Zhen particularly stressed the importance of party construction thinking. He said: The party magazine XIANGDAO [GUIDE] played an essential role in enlightening and publicizing the communist movement. It was the magazine PINGMIN ZHOUKAN [CIVILIAN WEEKLY] founded by Gao Junyu that established the ideological front in Shanxi. It was the first revolutionary periodical in Shanxi that made ideological preparations for the founding of the party in Shanxi. On the experience of the revolutionaries of the elder generation in fostering lofty communist ideals under party leadership, Comrade Peng Zhen pointed out: Intellectuals can become genuine Marxists only when they are integrated with the workers and peasants and with the party leadership and the People's Army. The progressive young intellectuals at that time tempered themselves and grew up among the workers and laboring people. At the forum, Comrade Peng Zhen reviewed the work of the party in Shanxi during the initial period of the anti-Japanese war and gave important instructions on compiling Shanxi's party history.

Lastly, Comrade Li Ligong said that it is a great event for Comrade Peng Zhen to review Shanxi's party history. On behalf of the Shanxi provincial party committee, I have come specially to listen to his lecture. Our party history as explained by Comrade Peng Zhen serves as good teaching material for the younger generation and our comrades. In connection with the reality of the international communist movement, we can see that our party studied Marxist and Leninist works, believed in Marxism, and took the Marxist road from the very beginning. As a result, we could take root among the people and maintain close ties with the masses. Our party has gone through the tests of struggles. In spite of his advanced age and in the midst of pressing affairs, Comrade Peng Zhen reviewed Shanxi's party history with us. On behalf of the provincial party committee and the party organizations throughout the whole province, I wish to express our gratitude once again to him.

Northeast Region

Changchun Hosts Regional Payment Default Meeting

SK2103134090 Changchun Jilin Provincial Service in Mandarin 2200 GMT 19 Mar 90

[Excerpt] A meeting for the three provinces of Liaoning, Heilongjiang and Jilin and the four cities of Shenyang, Harbin, Dalian, and Changchun to clean up enterprises' defaults on payments for goods was held in Changchun on 19 March. Attending the meeting were presidents of the People's Banks of China and the Industrial and Commercial Banks of the three provinces and four cities, and leading persons of pertinent departments. The head offices of the People's Bank of China and the Industrial

and Commercial Bank of China sent personnel to attend and give guidance to the meeting. Wen Shizhen, vice governor of Liaoning Province, Chen Yunlin, vice governor of Heilongjiang Province, and Liu Xilin, vice governor of Jilin Province, addressed the meeting. He Zhukang, secretary of the provincial party committee, attended to meet the participating comrades.

This joint meeting led by the governments of the three provinces and four cities in northeast China and coordinated by the People's Banks of China and the Industrial and Commercial Banks was held with the (?approval) and active support of the head offices of the People's Bank of China and the Industrial and Commercial Bank of China. Enterprises' defaults on payments for goods is currently a conspicuous problem in economic activities, which affects not only production but also the adjustments of industrial composition and product mix. In particular, under the current circumstances in which enterprises are bogged down in the difficulties created by a sluggish market, overstocked goods, fund shortages, triangle debts and interlocking loans, the work to clean up defaults on payments for goods is (?of a great significance).

(?The meeting formulated) the scope, principles, and targets of the work to clean up defaults on payments. Debts to be cleaned up mainly are those owed to one another by the state key industrial, commercial, grain, foreign trade, material, and supply and marketing enterprises of the three provinces and four cities before the end of 1989. Enterprises will be helped to clean up the debts in order to invigorate the circulation of funds and promote production. Debts of key enterprises will be the focus of the clean-up work, and debts of other enterprises will also be cleaned up. [passage omitted]

Sun Weiben Heads Heilongjiang NPC Delegates

SK2103135590 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 18 Mar 90

[Text] The Heilongjiang Provincial delegation to the third session of the seventh National People's Congress [NPC] was organized in Beijing on 18 March.

At a plenary session of the delegation, which was held on the afternoon of 18 March, Sun Weiben was elected as head of the delegation; and Shao Qihui, Li Jianbai, Wang Jun, Zhang Ruoxian, Wang Jinling, An Zhendong, and Liu Huixian, deputy heads of the delegation.

At the session, Sun Weiben relayed General Secretary Jiang Zemin's important instructions on successfully convening the NPC session, and urged all deputies to deepen their understanding of the significance of the successful convocation of the session and to positively participate in and discuss political and government affairs.

Northwest Region

Gansu's Li Ziqi Stresses Ties With Masses

HK2203023190 Lanzhou Gansu Provincial Service
in Mandarin 1030 GMT 21 Mar 90

[Excerpts] This afternoon the provincial party committee held a meeting for party-member leading cadres at the deputy prefectural and bureau levels and above to relay the spirit of the Sixth Plenary Session of the 13th CPC Central Committee. Present at the meeting were principal party-member responsible comrades from the provincial party committee, the provincial Discipline Inspection Commission, the provincial People's Congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference, including (Wang Shichao), Huang Luobin, Xu Feiqing, Wang Zhanchang, and Wu Jian; and party-member leading cadres at the deputy prefectural and bureau levels and above, totaling some 1,300 people.

Provincial Deputy Party Secretary Lu Kejian presided over the meeting and announced the decision of the CPC Central Committee on strengthening ties between the party and the masses. Provincial CPC Committee Secretary Li Ziqi relayed the spirit of the Sixth Plenary Session of the 13th CPC Central Committee.

The decision of the sixth plenary session on strengthening ties between the party and the masses is a very important document, Li Ziqi said. Wholeheartedly serving the people is the fundamental aim of the party. The party's strength stems from the masses. Adhering to the mass line and forming close ties with the masses is the party's glorious tradition. We must conscientiously put this spirit into effect in light of Gansu's actual conditions.

Li Ziqi pointed out, taking account of the international and domestic situation, there is a need to deepen our understanding of the importance and urgency of strengthening ties between the party and the masses. Forming close ties between the party and the masses is a major measure for preventing peaceful evolution, he said. This has major bearings on the party and of all us and will also produce far-reaching influence on the international communist movement. [passage omitted]

Strengthening ties between the party and the masses is not a problem of ordinary work method but concerns the destiny of the party and the state; it is not an expedient measure but involves a fundamental question of maintaining the country's prolonged stability and tranquility, he remarked. [passage omitted]

Li Ziqi demanded that all party organizations organize party members in seriously studying and implementing the decision of the CPC Central Committee on strengthening ties between the party and the masses. [passage omitted]

Members Added to Gansu Provincial Leadership

HK2203042590 Beijing RENMIN RIBAO in Chinese
10 Mar 90 p 2

[Report by Zhang Shusheng (1728 6615 5110): "Deputy Chairman of People's Congress, Vice Governor Elected in Gansu"]

[Text] Lanzhou, 9 Mar (RENMIN RIBAO)—At the Third Session of the Gansu Provincial Seventh People's Congress, which ended today, Liu Yuhua, and Jia-muyang Luosangjiumei Tudanquejinima [0857 2606 2876 3157 2718 0036 5019 0956 0030 0606 0679 1441 3854] (Tibetan) were added to the list of vice chairmen of the provincial People's Congress Standing Committee, and Wang Jintang to the list of vice governors of the province.

Qinghai CPC Committee Holds Monthly Meeting

HK2103070390 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 19 Mar 90

[Excerpts] The Qinghai Provincial CPC Committee held a monthly meeting yesterday morning to relay the spirit of the Sixth Plenary Session of the 13th CPC Central Committee.

The meeting demanded that CPC organizations at all levels in Qinghai organize the broad masses of CPC members to conscientiously study and implement to the letter the "Decision of the CPC Central Committee on Strengthening Ties Between the CPC and the People" in the spirit of the party rectification movement, further unify understanding, brace up, and strengthen confidence in accordance with the spirit of the "Decision."

At the meeting, Yin Kesheng, secretary of the Qinghai Provincial CPC Committee, relayed the spirit of the Sixth Plenary Session of the 13th CPC Central Committee.

When relaying the spirit of the sixth plenary session, Comrade Yin Kesheng said that conscientiously implementing the "Decision" is of profound and long-lasting significance to the long-term stability and security of China. The basic spirit of the Sixth Plenary Session of the 13th CPC Central Committee is to strengthen the existing ties between the CPC and the people, fully trust and rely on the masses, continue to maintain national stability as well as social stability in China, further push ahead with the campaign aimed at improving the economic environment, rectifying the economic order, and deepening the reform, further promote opening up to the outside world, and concentrate all efforts and waste no time in doing well all types of work, especially the economic work.

Comrade Yin Kesheng pointed out that in order to implement to the letter the spirit of the sixth plenary session, all the comrades in Qinghai must direct their energies to the following aspects: 1) to fully understand the importance and urgency of strengthening the existing

ties between the CPC and the broad masses of the people; 2) to unify the ideology of the whole party in accordance with the spirit of the "Decision;" 3) to adhere to the CPC's mass line, rely on the strength of the broad masses of the people, and accomplish all tasks of the CPC. [passage omitted]

Comrade Yin Kesheng demanded that all areas and all departments concerned in Qinghai conscientiously relay and study the "Decision" in order to heighten understanding, unify ideology, brace up, and implement the "Decision" in a down-to-earth manner.

Comrade Yin Kesheng stressed that it is necessary to develop the fine tradition of integrating theory with practice, sum up experiences, formulate specific measures in light of actual conditions, make full use of the weapon of criticism and self-criticism, fully affirm the achievements, tackle the existing problems, strengthen determination and consciousness of all the comrades in fighting against bureaucratism, subjectivism, formalism, individualism, and other corrupt phenomena such as seeking private gains by abusing power, resist the corrosive influence of the bourgeois ideology and the ideology of other exploiting classes, strengthen confidence in forging closer ties between the CPC and the broad masses of the people, and steadfastly adhere to the CPC's mass line.

Comrade Yin Kesheng said that the Qinghai Provincial CPC Committee will formulate a series of specific measures aimed at implementing the "Decision." An overriding task at present is to successfully carry out the work of sending cadres to the grassroots level. To this end, all the departments concerned must carry out a general examination of the work in the foreseeable future.

Comrade Yin Kesheng emphatically pointed out that in order to implement to the letter the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, it is all the more necessary to promote Qinghai's economic development and gradually tackle all the problems in Qinghai's economy in the course of the campaign aimed at improving the economic environment, rectifying the economic order and deepening the reform. [passage omitted]

Shaanxi's Zhang Stresses Closer Ties With Masses

*HK2203054790 Xian Shaanxi Provincial Service
in Mandarin 0030 GMT 22 Mar 90*

[Text] The Fifth Enlarged Plenary Session of the Seventh Shaanxi Provincial CPC Committee opened in Xian yesterday. The main tasks of this enlarged session are to relay and study the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, to examine the work report by the Standing Committee of the provincial party committee and its proposal for implementing the CPC Central Committee's decision on strengthening ties between the party and the masses, and to discuss current economic work.

Provincial party committee Secretary Zhang Boxing presided over the meeting and demanded that the participants concentrate on studying the relevant documents and seriously discuss measures for implementing these documents.

He said, the CPC Central Committee's decision on strengthening ties between the party and the masses is rich in ideology and content, embodies the wisdom of the entire party, and comprehensively and systematically expounds Marxist viewpoints on the masses and the party's mass line. This enlarged session is aimed at deepening our understanding of these Marxist viewpoints and the party's line through studying the decision, so as to lay a good ideological foundation for carrying out the Central Committee's decision.

Zhang Boxing pointed out, we should make efforts to work out a detailed proposal for implementing the Central Committee's decision on forming close ties with the masses, in order to ensure the implementation of this decision, the pursuance of all policies and measures of the party, and the fulfilment of all construction tasks.

Shaanxi's Governor Hou Zongbin Profiled

*HK2003125090 Beijing RENMIN RIBAO in Chinese
7 Mar 90 pp 1,2*

[Article by staff reporter Meng Xian (1322 6007 1344):
"Four Items of Hou Zongbin's Domestic Affairs"]

[Text]

First Item: His Wife's Work

Yang Xiandi [2799 0103 1229] was transferred to Shaanxi from Gansu along with her husband Hou Zongbin, in September 1987. Cadres of Shaanxi Provincial Party Committee Organization Department made a suggestion to Vice Governor Hou, saying: "Taking into consideration your work and family life, shall we transfer Yang to a new post for a change, and make arrangements for her to work at a provincial party committee organ?"

All smiles, Hou Zongbin said, "Don't bother. She has been a pharmacist all her life; let her be!"

Later, Yang Xiandi was appointed to work at the clinic under the Provincial Petrol and Chemical Industry Office, and remained a pharmacist.

People had no idea that since Hou Zongbin joined the revolutionary ranks in 1945, he had been transferred to four different provinces, with many promotions. His wife, however, had never got a promotion because of him. She had been a pharmacist for 37 years, since 1952, until her retirement last year. Here, the problem of "a wife being honored when her husband becomes a brass hat" did not exist.

Second Item: His Brother's Residence Registration

More unbelievable is the fact that his sole younger brother remains a common cart-puller and a casual laborer.

Hou Zongbin was born a poor peasant's son. His father was compelled to take his own life because of oppression. Since he joined the revolutionary ranks, he had to leave his mother and younger brother at home, who depended upon each other for survival. In the early 1960s, Hou Zongbin invited his old mother to stay with his own family, while his younger brother Hou Zongxian was left behind in the old home doing farm work. Whenever his mother thought of her younger son living all by himself in the countryside, she would urge Zongbin to try his best to transfer the younger brother's residence registration to the urban areas. Although there were several chances, Hou refrained from doing so. In 1982, their mother, who was in her eighties and on her deathbed, emitted her last words to Hou Zongbin with great effort, saying: "You are the big brother, you have the responsibility... to help your younger brother somewhat..."

Hou bent his head, all tears, but said nothing. To Hou Zongbin, he would always nod in agreement whenever he should, but not otherwise. When his mother passed away, he was already vice governor of Gansu Province, but he never yielded to his mother's request and helped his younger brother to move to the city. Instead, he helped him find a job as a casual laborer conveying cast iron in a factory strictly based on policy. As a college graduate he married Zongxian in 1987. Before their wedding took place, Hou sent for his sister-in-law to be, and had these words with her: "You have my blessing for your marriage, but I have to tell you that my younger brother has his residence registration in the rural areas, and is a casual laborer at that. There is no way for me to help him find a solution to his residence registration in the city..." Soon, Hou Zongbin was transferred to Xian. Upon his departure, his younger brother sounded him out about the possibility of going along with him to Xian. Hou Zongbin knitted his eyebrows, without nodding approval. Later, Zongxian wrote on several occasions to urge him to do something about the transfer. He cherished great hopes, waiting for an answer, but when Zongbin's letter eventually arrived, it was his patient explanation and soothing words, remittance, some food and clothes... Nothing definite was said about his younger brother's request to have him transferred to Xian. As days went by, the younger couple came to see what genuine feelings big brother would like, and they simply stopped mentioning their work transfer.

Third Item: His Son's Profession

Hou Zongbin works night and day to take care of affairs of the province; but he keeps a close eye on his family affairs, too.

When a provincial governor is transferred, he may bring along one of his children already at a job, as stipulated in policy. Hou Jianchao [0186 1696 3390], his son was

transferred from Lanzhou Hotel to Xian along with the father in May 1988, and a new arrangement would be made for his work. When Hou, Junior arrived at Xian, Hou, Senior said to his son: You have to find your own job. Don't count on me to do anything to make things smoother for you, nor will I allow your mother to say anything about it to the secretary, and I forbid you to do anything under my name. Here are "three commandments" for you: Thou shalt not go in for business; thou shalt not take charge of money affairs; and thou shalt not take charge of materials and equipment. Because he was a perfect stranger in Xian, Hou Jr. managed to be transferred to an import and export company only three months later. He told his father about it in a rapture; but to his despair, the latter said: "Foreign trade departments involve commercial activities. No, you can't take that job!" A month later, Hou Jr. learned from the want ad that a hotel, a joint-venture with Chinese and foreign investment, invited job applicants. Through interviewing, the hotel decided to hire him as a chauffeur. Later, when they learned that he was the Governor's son, they decided to appoint him trade union chairman. When Hou Sr. learned about it, he said to junior: "You should depend on your own ability for a living, and not take advantage of your father's reputation! A joint-venture with Chinese and foreign investment is after all a commercial enterprise. You should quit that job!"

Yang Xiandi was very much worried when she saw that their son was growing thinner and paler with each passing day when twice he was forced to quit the jobs he had found, and she said to Hou Zongbin: "I myself don't need your consideration, but the boy is still young; you must show some concern for his future!" Hou Zongbin answered: "To be strict with one's son means true love for him, while to tolerate him will end in ruining him. The boy has to find his future himself, and should not count on his parents to do everything for him. In this way, he will learn about how difficult it can be for the men in the streets to find a job, and experience what people feel."

An enterprise group was founded in Xian in October that year. When Hou Jr. learned about it, he sent in his application, and was hired. Then he was assigned to work at the department of industrial products and trade under the group. But Hou Zongbin said: "The department of industrial products and trade is another commercial unit. No, that won't do." Hou Jr. could do nothing but ask for a transfer to the department of enterprises. There he studied hard with modesty, worked hard, and was highly praised by his colleagues. Later on, he was transferred to the car pool as a chauffeur.

Thus, on him had been carried his work transfer, grain rationing and residence registration certificates for five months before everything was settled down. However, he did not imagine that trouble would surface again in his work.

After a seven-month probation, the group found him keen and hard-working, and professionally skillful, and

appointed him to be vice manager of the car pool company. Hou Jr. loved this work, and would like to make this his career, but he worried that his father would intervene. So he did the job without telling his father, and just said that he was driving a car. One day, Hou Sr. asked him: "What really is your specific job in the car pool?"

"Driving!" Hou Jr. answered; his heart banged, and sweat stood in beads upon his forehead.

"Isn't it true that people take me, the Governor into consideration and put you on that job as a vice manager?"

"They have appointed me to the job, So long as I can make it, that's okay, and they can always fire me if I am not good for the job," Hou Jr. argued.

"No. You have to quit that job!"

"But why?" Hou Jr. said, very much irritated, and his face turned red. "What kind of a father are you?" losing his temper, he added.

"Simply because your father is the Governor!"...

On the desk of the group general manager lay Hou Jianchao's letter of resignation the following day, which read: "In support of the governor's work, I request my resignation from the post as vice manager of the car pool..."

However, the group general manager rejected the resignation on the grounds that "it was a decision made through examination and collective discussion, and the Governor has no right to intervene." A later poll also showed that Hou Jr had won the support and praise of all workers and staff members of the car pool.

The Governor said to his wife that: I don't feel very solid about Jianchao becoming an "official." We both are party members, and every one of our actions has a bearing on the image of the party and government. We should bring only honor to the party and government, but never disgrace. He stressed: "If I am to win support province-wide, it is first necessary for my whole family to support my being clean and honest in office!"

Fourth Item: His Daughter Wants to Join the Army

The Governor was concerned about his son becoming an "official" as well as his daughter, who wanted to join the Army. Last April, his youngest daughter Hou Jianxin [0186 0256 2450], who was still in junior high, heard news that the Army was going to enlist a number of women soldiers. She really wanted to try her luck and managed to get an application form. She did not expect her father to learn about it. At the dining table, Hou Zongbin announced: "That form should not be filled in. First, Jianxin is under age; second, she is not up to the requirements for educational background..."

"I never thought that Jianxin would be as tall as 1.7 metres." Jianchao threw in a few words for his sister.

"No way! We should never tell lies, and go through the back door!" The head of the family was angered.

"You can't stop me joining the Army. I'll do so anyway!" With pouting lips she argued.

"You wait and see!" Hou Zongbin roared, his lips trembling with anger, he had lost his temper.

Jianxin started to cry, locked herself up in her room, and refused to eat.

The mother was shocked. Usually, Hou Zongbin doted on his youngest daughter, and had never laid a finger on her. But why should he be so angry that day? Hou Zongbin said to his wife: "To rectify others, one must be upright oneself. To run the State well, it is first necessary to run one's family well. Should I fail to govern my own family, how can I do a good job in governing a province? You are the mother of the house, by no means should you be swept away by the unhealthy atmosphere in society and do something improper!" Later, he had a talk with his younger daughter, saying: "I am sorry that I was quite beside myself. Okay, I was wrong. But don't you see that it can be very difficult for any girl to be enlisted? You are not up to the requirements, and you are trying to join the Army by going through the back door. What will people think about it? You should continue to work hard at your studies, when you are up to the standard, I am going to support you according to the normal procedures. Then I will be worrying about you becoming a 'deserter'!" At this point, his daughter broke into a smile from tears.

Article Examines Disturbance Within KMT

HK2003094490 Hong Kong TA KUNG PAO in Chinese
18 Mar 90 p 4

[Article by Huangfu Chi (4106 3940 0679): "Disturbances Behind 'Compromise' Within the Kuomintang"]

[Text] Last week, political struggles within the Kuomintang [KMT] in Taiwan, changed from the tense atmosphere of close combat to relaxation, only superficially. The political situation does not seem to be tranquil. Inside and outside the "National Assembly" and the Legislative Yuan, quarrels, violence, and clashes between the masses and the police have been common in the past few days. All in all, the whole society does not seem to be peaceful. Troubles come one after another, and what problem does this illustrate?

Disputes within the senior levels of the KMT concerning the problem of nomination of candidates for the next presidency and vice presidency, have been solved by mediatory efforts made twice, by the eight figures of the senior clique of the KMT. The "Lin-Chiang partnership," which was thrust forward as competition, has been "persuaded" to retreat. It seems that Li Teng-hui and Li Yuen-tsu, the "double li" for candidacy, is now settled. On 16 and 17 March, letters nominating candidates ran into deadlines, and on 18 and 19 March the names of candidates for "presidency" and vice "presidency" will be announced respectively; by then the trend of events will become clear. Although on 21 and 22 March—the dates for the voting—there may be some unavoidable twists, the overall situation has now been settled.

This time, the problem of the political dispute manifested itself mainly as different opinions concerning candidates for the next "presidency" and vice "presidency," as well as the way they are selected. In essence, the two main problems concealed behind, involves the struggle between the despotic forces and the democratic reformist forces within the KMT, as well as the "unification versus independence" struggle, which has an impact on the great undertaking of unification, and on the policy on the mainland. The major newspapers on the island have made these more clear, while various quarters, including people in political circles and scholars, have also started discussions. This reflects that the wish to improve the relations between both sides of the strait, and to enhance the great undertaking of unification, has become an irreversible trend. It really is a great problem which has a great impact on the interests of the people on the island. From now on, any leader of a political party, or any ruler, cannot avoid this problem in running the government, and must answer this question with concrete actions and in the correct way. That is the basis for saying that at present, the political situation on the island is chaotic, but there is no need for pessimism.

Of course, the easing of the political dispute, which is a rare phenomenon in the past several decades, is connected to the mediation by the eight senior members the KMT. It has been alleged that the so-called "mainstream clique" has made a compromise with the "non-mainstream clique," and several problems have been temporarily settled. In recent days, the political journals on the island have one after another, revealed the inside story. It has been alleged that both sides have their major "conditions for exchange" settled, so the dispute has been settled.

First, in the future, the party is to be separated from the government, and Li Huan is to receive the post of chairman of the KMT. After Li Teng-hui is secured in his office of the eighth "presidency," Li Huan is to continue his post as "president of the Executive Yuan," and after the party congress of the KMT is convened, Li Huan will also take the post of chairman of the KMT while also working as head of the "Executive Yuan."

Second, Taiwan native Lin Yang-kang, head of the "Judicial Yuan," openly declared that he does want to be nominated as candidate for presidency, because both sides have agreed during the mediation by the figures of the senior clique, that he will be allowed to take office of the ninth presidency, and this has been explicitly approved by the "mainstream clique." Therefore, there is a leak of information saying that Li Teng-hui will retire right after serving out his six-year turn of the "presidency."

Third, although Hau Pei-tsun, the "strong man" in the army, declared that he would remain "neutral" in this political dispute, in fact he was deeply involved in it, and he could be one of the important figures behind the curtain. After the eight figures of the senior clique finished with their mediation, the "mainstream clique," including Li Teng-hui, agreed to let Hau Pei-tsun continue to hold the office of minister of the "Ministry of National Defense" when the "cabinet" retires in May; to exchange the ceasing of boycotting activities against the "double Li" campaign for presidency; and to calm a possible storm within the army and enhance stability within it as well.

Fourth, one of the leading roles of the "Lin-Chiang partnership," Chiang Wei-kuo, could not but retreat from candidacy after the persuasion of the senior clique. He might, in the future, take the office of head of the Examination Yuan, or work as "national affairs advisor," or get an overseas appointment as an "ambassador" having leisure rather than work. Last Friday, Chiang Wei-kuo again quietly left Taiwan for the United States, and before departure he submitted application for resignation from the position of secretary general of the "national security council" to Li Teng-hui. This is a new move.

Regarding the allegations that the "non-mainstream clique" has demanded dismissal of several personnel, including Sung Chu-yu and Lien Chan, there has not been any clear answer.

The above mentioned allegations are being spread, causing different opinions, and as we listen to them, we do not have to believe in them. As Li Teng-hui said: They must wait to be "clarified by facts." Public opinion on the island holds that the serious political split within the ruling party has fortunately ended without provoking the crisis of "stirring up is easy, but cleaning up is difficult." While the situation changed from dangerous to peaceful, people had already felt the sweat and were glad to see nothing happen; the main reason was that social stability has been temporarily preserved. However, there is also some public opinion which holds that the dispute within the ruling party has been eased only superficially, the critical point rests on the new changes in personnel arrangements in the future after the "National Assembly" is concluded and the "cabinet" retires.

It seems that there is a major factor to the so-called new changes in the future: Are there foreigners trying to interfere in the affairs from behind the curtain? Some public opinion on the island already shows this kind of worry. The so-called foreigners mean people from foreign countries. Some public opinion on the island has more or less revealed something, while some individuals have pressed questions on the named figures, accusing some big countries of being "fond of showing the face of chauvinism and imperialism, and of interfering in the internal affairs of other countries." This is a very important issue, which must wait to be clarified by facts to be revealed, but this issue deserves attention from every Chinese.

At present, although the political dispute within the KMT has become quiet, in the last two days, the atmosphere inside and outside the "National Assembly" and the Legislative Yuan was not peaceful, and the violent scene occurred once again. It was because the first investigation commission of the "National Assembly" had adopted the resolution that the "National Assembly" will meet once a year; that the "members of National Assembly" have their tenure extended to nine years, and they also exercise the two kinds of power of "creating system" and of "re-examination for resolution," and that remuneration for attending the "National Assembly" will be raised to 220,000 dollars. This kind of move, which has been seen as an act of expansion of power adopted by the "National Assembly" without proper authorization, has met with unanimous objection among the opposition and ruling members of Legislative Yuan when the news arrived there, where bombardment has been aimed at the "National Assembly," and some people demanded that the "National Assembly" be disbanded, while some claimed they would take to the streets to overthrow the "National Assembly." Even the KMT affiliated members of Legislative Yuan condemned the move by the "National Assembly" as "absolutely lawless," one which could pose "danger to the Constitution." Some people angrily accused the election of "president" and vice "president" of "seeking support from

the gods and ghosts and not from the people," and said that it would be better for the members of Legislative Yuan to mobilize the masses to overthrow the "National Assembly." The reason why the radical school of the KMT affiliated members of Legislative Yuan were so agitated was that they were getting at something else. The Democratic Progressive Party [DPP] affiliated members of Legislative Yuan also eagerly joined the choir, and angrily assailed the "National Assembly" for being a "group of bandits," saying that "Yang Ming Shan is now dominated by a pack of dancing devils," that it was time for the "people who have no choice" to confront the "old bandits," and that the "people have the rights to resist and overthrow."

The situation was complicated, and became more complicated when the DPP affiliated "members of National Assembly" were refused entrance to the "National Assembly" because they had not given the "allegiance," with the result that the DPP people crowded in to "escort" them in a protesting procession, and they ran into a great number of policemen and troops in front of Sun Yat-sen Mansion in Yang Ming Shan; pushing, beating, and fighting dominated the scene. The situation was truly chaotic. But what worries the people more is that the event has already had an impact on the larger society. Some university students from several universities have taken to the streets. They headed to Yang Ming Shan for a "sit-in," condemning the "National Assembly" as a "meeting on sharing stolen money among the old bandits."

This scene indicates that the inside story is not simple. Public opinion on the island pointed out vaguely that the contents adopted by the investigation commission of the "National Assembly" without authorization, were tacitly approved by the central rulers of the currently ruling party, that the "statement" issued by the KMT Central Committee afterward had revealed some "intriguing arrangements," and that the extension of the tenure to nine years and the increase in remuneration for attendance, are seemingly connected to the approaching election of "president." Hence, some KMT affiliated "members of National Assembly" said that "it is time for Chairman Li Teng-hui to come forward," otherwise "he is to be held responsible for all the future political turmoil arising from this." Newspapers and public opinion also asked the "ruling party to do something and stop doing other things, for it cannot abandon the principle of the Constitution merely for the votes." It seems that what they are getting at beyond what they said, points to the fact that this storm is again obviously linked to the just subsided political dispute within the senior levels of the KMT. There is no need for elaboration on the direction to which the spearhead aims.

It seems that the disturbance within the "National Assembly" and the Legislative Yuan are closely related to the disturbance within the KMT. The development of the political situation in Taiwan in the next few months is worthy of continued attention.

Rise in Taiwan Trade, Investment Forecast

HK2203024390 Beijing CHINA DAILY in English
22 Mar 90 p 2

[By staff reporter Qu Yingpu]

[Text] China expects trade and investment across the Taiwan Strait to increase this year, as the island's business people are eager to join a new "mainland upsurge," according to a senior official with the Ministry of Foreign Economic Relations and Trade (Mofert). He said indirect trade volume between the mainland and Taiwan is expected to exceed \$4 billion this year.

"A new investment rush to the mainland is occurring in Taiwan," said An Min, director of Mofert's Department of Economic and Trade Relations with Taiwan.

The mainland's demand for Taiwan products, especially those needed by Taiwan- and foreign-funded firms, will continue to grow this year, An said.

On the other side, he said, Taipei's readjustment of some of its mainland policies is expected to allow more mainland products into Taiwan. And the Taiwan-funded firms in the mainland are expected to expand their sales on the island.

"Further," An said, "an increasing number of Taiwan tourists to the mainland will help increase the exchange of products between the two sides."

During the past 11 years, indirect trade volume across the Taiwan Strait totalled \$11.7 billion with an average annual growth rate of 46.4 percent.

An said last year trade value between the two sides amounted to \$3.83 billion, 28 percent more than in 1988. Of the total, the mainland imported \$2.4 billion worth of products and exported \$587 million worth.

The mainland mainly sells cotton yarn, herb medicines, knitwear, coal and non-metal minerals. Major Taiwan products sold to the mainland include chemical fibre, cloth, machinery and equipment, electronic parts and products, and raw materials for chemical industries.

Meanwhile, Taiwan business people are outpacing the Taipei authorities in putting money on the mainland despite Taipei's ban on direct economic links, sources said.

Wang Yung-ching, founder of Formosa Plastics, Taiwan's largest private industrial conglomerate, visited the mainland earlier this year to study investment possibilities.

An increasing number of Taiwan companies have followed suit, the sources said.

"Everybody is going," the sources said. "Nobody wants to be late to get the mainland's favourable investment treatment, including tax breaks."

Wang told reporters during a trip to the United States that he thinking of seeking a Taiwan special economic

zone on the mainland's coast. He said Formosa Plastics might build a huge naphtha processing plant there instead of in Taiwan.

A REUTER report said several Taiwan businessmen are expecting direct air and sea trade links with the mainland to be established soon after Taiwan's "presidential election" this month.

Even the Kuomintang-owned Central News Agency reported almost unanimous agreement among Taiwan business people that Taipei's policy should change.

"The true picture is that whoever dares ignore 'government' regulations will benefit," it quoted Hsieh Lai-fa, chairman of the Great Electronics Corp, as saying.

An said there are about 1,000 Taiwan-funded projects on the mainland, with a total contracted investment of more than \$1 billion.

According to incomplete statistics, the mainland approved 539 Taiwan-invested projects last year. Contracted funds totalled over 4400 million.

The investors are attracted by the mainland's cheap labour, its common language and culture, and its proximity to Taiwan.

Xiamen Continues To Attract Taiwan Capital

OW1903212590 Beijing XINHUA in English
1600 GMT 19 Mar 90

[Text] Xiamen, March 19 (XINHUA)—Xiamen, one of China's open cities, signed contracts for 131 projects with Taiwan investment last year.

The contracts call for a total investment of 493 million U.S. dollars, of which 481 million U.S. dollars is to come from Taiwan, surpassing the total of previous years, according to Xiamen Vice-Mayor Jiang Ping.

Jiang attributed the rise to the establishment of Xiamen Taiwan investment development zone last May.

By the end of February this year, Xiamen had approved more than 260 projects with Taiwan funds, totalling 730 million U.S. dollars in total investment. About 130 projects have already gone into operation, said Jiang.

About 90 percent of the projects are industrial. The rest involve tourism, real estate and agriculture. Most of their production is for export.

Infrastructure construction has been stepped up to cater to investors from across the Taiwan Strait, the vice-mayor said.

Construction of four 10,000-ton berths, airports, bridges, factory buildings and a power plant is underway, Jiang added.

The Taiwan Government has recently decided to allow its businessmen to attend trade exhibitions and make business tours on the mainland.

Jiang said that he welcomes the move and hopes that more Taiwan compatriots will invest in port and railway construction, tourism and agriculture.

Li Seeks Trust, Time From Students

OW2103164890 Taipei CNA in English 1602 GMT
21 Mar 90

[Text] Taipei, March 22 (CNA)—President Li Teng-hui met over 50 representatives of students protesting at Chiang Kai-shek Memorial Hall Plaza Wednesday evening.

The president, who had just been elected to a new six-year term, urged the students to trust in his sincerity and determination to carry out reforms.

"Trust me, as the members of the National Assembly have trusted and selected me. I will certainly do my utmost to solve all problems," he said before replying to the students' questions.

He pledged that he was not making empty talk in front of the student representatives. "Give me time to solve the problems."

He stressed that the government would accept all reasonable suggestions from different sectors of society, because "the country is ours, society is ours."

The government was well aware of demands from all walks of life, and it was determined to meet the demands as soon as possible, he said.

The president repeatedly said he supported the students' patriotic motives, but reform of the constitutional system could not be accomplished immediately. "It takes time," he explained.

The student representatives met the president five hours later than scheduled because the protesting students could not reach a consensus over a "joint statement" to the president.

Accompanied by two professors who had joined in the student sit-in, the students met the president in the presence of Presidential Secretary General Li Yuan-zu and Education Minister Mao Kao-wen.

The president shook hands with each of the students while inquiring after their health and posed such questions as "Are you tired?" "Are you feeling well?"

He started his talks with the students by saying that the past few days might have been the hardest time of his life. "I have not slept well," he said.

He praised the students for having put forward suggestions for reform based on their idealism and their love of the country.

However, he said, he could not agree to the way the students had pressed their demands. "Fasting for three consecutive days to demand that the government respond immediately to your demands is indeed inappropriate," he said. "Irrespective of my position as president, I am also a parent. I would be pained if my children would have done so," he said.

"I have studied in Japan and the United States and I have taught in the university. I understand what you're thinking. I understand what people's livelihood means," he told the students.

Student leader Fan Yun read a statement demanding that the parliament, now dominated by aging deputies elected on the China mainland, be dissolved and the temporary provisions effective during the period of communist rebellion be cancelled.

Fan claimed that the students would continue to protest if their demands could not be met.

In his reply, Li told the student leaders that the government was prepared to convene a national forum to decide the nation's future course.

Li Yuan-zu Elected Vice President by Assembly

OW2203111490 Taipei CNA in English 1032 GMT
22 Mar 90

[Text] Taipei, March 22 (CNA)—The National Assembly, or the Electoral College, Thursday elected Li Yuan-zu, secretary-general of the presidential office, as the Republic of China's eighth vice president.

Li, nominated by the ruling Kuomintang and unchallenged in the election, received 602 or 93.48 percent of 644 votes cast in the ballot, assembly officials announced.

Of the 752 members of the Electoral College, 715 were eligible to vote and 644 cast ballots for an 85.63 percent voter turnout.

The National Assembly, in which the ruling party holds an absolute majority, began to vote at 9:36 a.m. at the Chungshan Building on Yangmingshan in Suburban Taipei. The balloting finished smoothly at 11:30 a.m.

Li, 67, of Hunan Province, will assume the vice presidency on May 20 together with President Li Teng-hui, who was reelected to a full six-year term Wednesday.

A graduate of National Chengchi University, Li has a rich record during his years of government services. He was appointed an adviser to the Ministry of National Defense and the Executive Yuan after he earned a doctoral degree in law from the University of Bonn in West Germany. He then began teaching at National Chengchi University and until he was named president of the university.

In 1977, he was appointed education minister and, a year later became justice minister. After being replaced as justice minister in 1984 in a cabinet reshuffle, he resumed teaching at National Chengchi University and, in September 1984, was appointed national policy adviser to the president. In October 1988, he was appointed the presidential secretary-general.

President Li Receives Congratulation Messages

Chinese Community in Spain

OW2103143390 Taipei CNA in English 1157 GMT
21 Mar 90

[Text] Madrid, March 21 (CNA)—Chinese community in Spain is joyful with the news of the reelection of President Li Teng-hui.

A congratulatory telegram was sent Wednesday to President Li through the Overseas Chinese Affairs Commission together with eight Overseas Chinese organizations in Spain. In the telegram, the overseas compatriots reiterate their support and loyalty to the ROC [Republic of China] Government under the leadership of Li.

Spanish Congressman

OW2103180990 Taipei CNA in English 1443 GMT
21 Mar 90

[Text] Madrid, Mar. 21 (CNA)—Spanish Congressman Rogelio Baon expressed his congratulations Wednesday on the reelection of President Li.

In an interview with CNA, Baon said that, though he personally does not know Li, he has read a lot about him in the press and understands that Li is a capable and popular leader. He said he believes that the ROC [Republic of China], under Li's leadership, will continue to grow strong politically and economically.

Saudi, Guatemalan Envoys

OW2103184790 Taipei CNA in English 1445 GMT
21 Mar 90

[Text] Taipei, March 21 (CNA)—Foreign diplomats stationed in Taipei Wednesday extended their congratulations to President Li Teng-hui on his reelection as the president of the Republic of China.

As'ad 'Abd al-Aziz al-Zuhayr, Saudi Arabian ambassador to the Republic of China on Taiwan, said that his country would send a delegation to Taipei for the May inauguration of President Li.

Guatemalan Ambassador Carlos Jimenez asserted that President Li would be an outstanding leader in his coming term, and that his leadership assured the Republic of China's democratic development a bright future.

Scholars Urge Formal Philippine Ties

OW2103052190 Taipei CNA in English 0315 GMT
21 Mar 90

[Text] Taipei, March 21 (CNA)—Two prominent scholars in the Philippines said Tuesday that the Philippines stands to benefit tremendously in term of economics if it formally establishes ties with Taiwan, the Republic of China, according to a FAR EAST NEWS AGENCY report from Manila.

Appearing before the House Committee on Foreign Affairs, Dr. Pablo Tangco, head of the Political Science Department of the National Defense College and Dr. Serafin S. Quiazon, chairman and executive director of the National Historical Institute, both claimed that "the immediate passage of House Bill No. 16421 would greatly benefit the country in terms of economic, cultural, commerce and trade."

The bill, principally authored by Rep. Isabela Rodolfo Albano who called for a closer relationship between the Philippines and the Republic of China, authorizes the continuation of commercial, cultural and other relations between the peoples of the Philippines and the Republic of China.

Tangco told the House Committee members that it is perfectly legal and constitutional to establish formal diplomatic ties with the nationalist China (ROC), considering its nearness to the Philippines.

Tangco admitted that though it could be a violation of the "one China policy," "we would attract the hundreds of millions of dollars of investments coming from Taiwan."

Both Tangco and Quiazon cited that the Philippines' ASEAN neighbors like Indonesia, Malaysia and even Vietnam which also recognize the so-called "one China policy" maintain their semi or official ties with Taiwan.

Polish Company To Establish Taipei Branch

OW2103190290 Taipei CNA in English 1557 GMT
21 Mar 90

[Text] Taipei, March 21 (CNA)—"Agropol Ltd." of Poland has decided to establish a branch office in Taipei, the first Polish trading organization to establish an office in the Republic of China [ROC].

The opening ceremony for the Agropol branch will be held March 23 at the Grand Hotel in Taipei, with Agropol's Board Chairman Zofia Gaber and the general manager of its Taiwan branch, Jaroslaw Mazur.

Agropol Ltd. is a trading company engaged in exports and imports. Agropol deals with electric and electronic appliance, machine tools, food, agricultural products, textiles and furniture.

Agropol officials said that the Taiwan branch would provide increased trading opportunities and promote economic and trade ties between the ROC and Poland.

Peru To Open Taipei Trade Office

OW2103185590 Taipei CNA in English 1447 GMT
21 Mar 90

[Text] Lima, Mar. 20 (CNA)—Peru plans to open a trade office in Taipei in order to meet the nation's need for overseas markets, Cesar Huamanchumo, president of Foreign Trade Institute, said in an announcement.

Peru will also establish trade offices in Florida and Budapest soon, he said.

Huamanchumo said Peru needs to expand its export trade, which totaled U.S. dlrs 3.5 billion last year.

Government Considers National Affairs Forum

Purpose Considered

OW2103144590 Taipei Domestic Service in Mandarin
2300 GMT 18 Mar 90

[Text] Government sources revealed that the authorities are considering a national affairs conference soon. Political parties and people from various circles will be invited to discuss national affairs. The conference will be held to pool the wisdom of all, build national consensus, and make plans for national construction. The sources say that the authorities have already given instructions for setting up a preparatory committee soon for the national affairs conference. The preparatory committee will be charged with studying the selection of people to attend the conference, the agenda of the conference, and the problems of political and legal effects of the conference. Then a date will be set to formally convene the national affairs conference. A national affairs conference is usually convened when the nation is faced with major issues or when the nation is in crisis. Although it is not a statutory meeting, on political level it will probably have a constitutional effect. A month-long political crisis arising from the presidential election, political disputes in the National Assembly, infighting within the ruling party, and the strife between political parties have gradually evolved into a national crisis. Constitutional and political crisis is imminent; hence, there is an objective need for convening a national affairs conference.

Sources pointed out that President Li's remarks on 17 March hinted at the holding of such a conference. President Li said: I want to make a call to all people in the nation: Democracy is the goal we all seek. The future of the nation should be determined by the public will of all the people.

It has been learned that President Li recently agreed to consider convening a national affairs conference to solve the current constitutional and political crisis after listening to suggestions from party elders. Sources say that if the current crisis situation deteriorates, it will surely destroy the achievements of the last 40 years in one stroke. People from all walks of life should, as the president expects, adopt a more sober and rational attitude with regard to current political development. The convening of a national affairs conference will offer both the government and the public a normal and effective channel to discuss national affairs and build a national consensus.

July Date Planned

OW2103185390 Taipei CNA in English 1534 GMT
21 Mar 90

[Text] Taipei, March 21 (CNA)—The Central Standing Committee of the ruling Kuomintang [KMT] Wednesday decided tentatively to hold a national affairs forum before the end of June in order to promote national unity and constitutional democracy.

President and KMT Chairman Li Teng-hui, honoring a promise he had made earlier in the week, formally suggested at the KMT decision-making body's weekly meeting that a broadbased meeting be held to canvas public opinion on such subjects as the constitutional system, political reform and national unification.

Li added that respected civil leaders, representatives of various political parties, scholars and experts should be invited to the meeting to pool their wisdom on ways to solve the political issues troubling the nation.

Members of the Central Standing Committee unanimously approved the suggestion but differed as to when the meeting should be held.

Some members considered the forum should be held as soon as possible in response to growing public demands. Others, however, said it should be held only after careful planning and after several important political events scheduled for the next three months, including the inauguration of the president on May 20, the passage of the central government budget scheduled for the end of May and the appointment of a new premier in June.

Several members stressed that the ruling party should continue its efforts to speed reform and should reach a consensus within the party before the national affairs forum.

According to a committee decision, the president should appoint a small working-group to prepare for the meeting. The committee will be headed by Tsiang Yien-hsi, senior advisor to the president.

The party will also form a task force to study various issues related to the forum. The task force will be jointly headed by former Vice President Hsieh Tung-min and Premier Li Huan, both members of the Standing Committee.

Tsiang told reporters later in the day that an estimated 100 representatives were expected to be invited to the meeting which was scheduled to last for three days.

Officials Optimistic

OW2103192290 Taipei CNA in English 1543 GMT
21 Mar 90

[Text] Taipei, March 21 (CNA)—The government has adopted a cautious but optimistic attitude toward a planned national affairs forum and believes that the

meeting would help resolve some political problems and boost reform, a spokesman said Wednesday.

Shaw Yu-ming, director-general of the Government Information Office, told the press that the meeting would offer the government an opportunity to review various problems that had accumulated over the past four decades.

The government might take advantage of the opportunity to get [word indistinct] some historical [word indistinct] and to accelerate the process of reform, Shaw said.

Moreover, the meeting could serve as a buffer for people with different political opinions, offering them a venue to discuss and compromise with each other, he added. Each side could appeal to the public for support which would in turn become the energy during future reforms.

In this way, Shaw noted, the meeting would help direct the nation's future political development in a positive direction. "Both the government and the private sector can be optimistic about the meeting," he said.

The government spokesman also recognized the "patriotism" of the students staging a peaceful sit-in at the Chiang Kai-shek Memorial Hall in Taipei in demand of faster reform.

Shaw made the statement after the ruling Kuomintang tentatively decided to hold the national affairs forum before the end of June.

Li Huan Urges Vigilance Against PRC Invasion

OW2103093090 Taipei CHINA POST in English
14 Mar 90 p 12

[Text] Premier Li Huan yesterday urged residents not to slacken their vigilance against a possible invasion by communist China.

Li's warning followed news reports that Peking has deployed modern fighter jets along its southern coast opposite Taiwan. The premier yesterday also reiterated that although the government will continue to relax its mainland policy, the degree of relaxation will depend on Peking's attitude toward Taiwan.

Taipei is very concerned about communist China's recent military maneuvers, according to sources. The cabinet-level task force on Mainland China affairs has asked the Ministry of National Defense to brief each meeting on political and military developments across the Taiwan Strait as well as on Peking's strategies toward Taiwan.

The Military Information Bureau under the ministry briefed the task force's regular Monday meeting, the sources said.

"Taipei must heighten its alertness toward Mainland China's recent military maneuvers and Peking's reiteration of its policy not to renounce force in dealing with Taiwan," official government spokesman Shaw Yu-ming said.

Last Saturday, the CHINA TIMES EXPRESS quoted military sources as saying that communist China had moved 24 Qian-8 model fighter jets from the Sino-Soviet border to the Chekiang-Fukien coastline. The move was seen as a clear warning against Taiwan's seeking independence.

Earlier reports said troops had amassed along the Chekiang-Fukien coastline and 60 fighter planes were ready to take off at any time.

The operations have coincided with the upcoming presidential election in Taiwan, scheduled for March 21-22. Communist officials have hinted that they support Gen. Wego Chiang, head of the National Security Council, over President Li Teng-hui as the next president. They have also said the next president must be able to push for China's reunification and social progress.

The mainland-born Wego Chiang is the son of late President Chiang Kai-shek. Some 200 national assemblymen pledged that they would endorse him to run for vice president, but he withdrew from the race last Saturday following in the footsteps of his running mate, Judicial Yuan President Lin Yang-kang.

Analysts said that although the Chinese Communist Party (CCP) and the Kuomintang (KMT) have major differences, the CCP trusts the KMT more than it does the newly formed opposition Democratic Progressive Party (DPP). The DPP is dominated by native Taiwanese and one of its factions advocates a Taiwan independent of China.

ROC [Republic of China] military forces, including troops on offshore islands, have stepped up defenses in response to military actions across the Taiwan Strait, sources said.

Fujian Troop Reinforcements Called 'Routine'

OW1903142390 Taipei Domestic Service in Mandarin
2300 GMT 18 Mar 90

[From the "National Hookup" program]

[Text] According to a well-informed personage in Beijing, Taipei need not worry very much about Communist China's sending reinforcement troops to or deployment of troops along the coastal areas of Fukien [Fujian]. There is a deeper intention underlying Communist China's troop reinforcement; namely, the move is aimed at countering interference from foreign countries. It clearly shows to foreign countries that the mainland can resort to arms. However, it is mainland's own affair whether or not it will resort to arms.

It is learned that the reinforced deployment of military forces this time turned out to be a routine maneuver conducted by the Nanking [Nanjing] Military Region. However, the source of the information does not rule out the element of threat contained in the expanded scale of the maneuver. It is, nevertheless, only a temporary move.

The well-informed personage also indicated that the authorities in Peking are perplexed by the development of situation in Taipei at present and are worried about a turmoil that may possibly break out on the island. The personage warned that if Taipei adopts the line of independence, it will be inevitable for Communist China to dispatch troops and use force. In his opinion, the reinforcement of troops along the coastal areas of south-east China by Communist China this time is due partly to the breakout of the biggest conflicts inside the Kuomintang in Taiwan in 40 years and partly to escalated advocacy for Taiwan independence, which is also one of the reasons. Troop reinforcement also has another intention; that is, to avoid being caught unprepared when the time [for resorting to arms] comes. As regards the reaction caused by the troop reinforcement in all quarters, he believed that it is quite normal.

Another well-informed personage pointed out that he does not think that Communist China will really attack Taiwan because it is impossible for Taiwan to declare independence within a short period of time.

Ministry Defines Mainland Investment Principles

*OW2103125790 Taipei Domestic Service in Mandarin
2300 GMT 17 Mar 90*

[Text] The Ministry of Economic Affairs has defined the preliminary principles governing the policy of indirect investment in the mainland. On 17 March, Economic

Minister Chen Lu-an publicly expressed for the first time that the government will lift the ban and permit investment in the mainland except for those industries involved with national security, that contravene the international agreements on the control of high technology, and that are of vital importance.

Because the draft provisional regulations governing relations between the people on both sides of the Taiwan Strait have already been drawn up, and for the purpose of making the draft regulations—which are closely followed with great interest by all quarters—go into effect immediately after their passage, the Ministry of Economic Affairs has already begun to study and deliberate on the portions of the [personnel] appointments and legislature within the draft regulations.

Naval Commander Visits South Africa

*OW2003054690 Taipei CNA in English 1158 GMT
19 Mar 90*

[Text] Johannesburg, March 19 (CNA)—Commander-in-chief of the Navy of the Republic of China Admiral Yeh Chang-tung and his wife arrived in Johannesburg Monday for a week-long visit to South Africa.

During his stay, Admiral Yeh will visit Pretoria, Johannesburg, Cape Town, and Simonstown. The chief of the Defence Force of South Africa General Jannie Geldenhuys will confer the order of Good Hope Class III Commander on Admiral Yeh at an investiture ceremony at Admiralty House, Simonstown on March 22.

Upon Admiral Yeh's arrival, chief of the South African Navy Vice Admiral Dries Putter, Ambassador of the Republic of China Steven F. Wang, Consul General of the ROC in Johannesburg George Pei-lung Tuan, and other senior staff of the Chinese Embassy greeted him at the airport.

Hong Kong

Basic Law Discussion Continues in PRC

NPC Standing Committee

OW1803182390 Beijing XINHUA Domestic Service
in Chinese 0818 GMT 17 Mar 90

[Article originally carried in the 12th Issue of LIAOWANG weekly: "Members of NPC Standing Committee Discuss Basic Law (Draft) of Hong Kong Special Administrative Region"]

[Text] The upcoming 12th issue of LIAOWANG weekly carries an article "Members of NPC Standing Committee Discuss Basic Law (Draft) of Hong Kong Special Administrative Region." It gives an account of the assessment by NPC Standing Committee Members Fu Hao, Chu Zhuang, and Tao Dayong on the "Basic Law (Draft) of the Hong Kong Special Administrative Region of the People's Republic of China" which will soon be submitted to the Third Plenary Session of the Seventh National People's Congress [NPC] for examination.

In his assessment, Fu Hao, member of the Seventh NPC Standing Committee and vice chairman of the NPC Foreign Affairs Committee, noted: The Hong Kong Basic Law (Draft) was formulated according to the concept of "one country, two systems," and the guidelines of the Sino-British Joint Declaration. It incorporates, in the form of law, the general and specific policies and systems pertaining to Hong Kong after its return to China. It is a creative legal masterpiece with great historical and international significance.

Fu Hao said: The "one country, two systems" concept, proposed by the veteran Chinese leader Deng Xiaoping to resolve the Hong Kong issue, has taken into consideration the fundamental interests of the Chinese people, including that of the five million Hong Kong compatriots, as well as the realities in Hong Kong and other factors. It is a policy decision with foresight and sagacity that combines principles with flexibility. On top of safeguarding the sovereign rights of China, it takes care of the realities of the capitalist system in Hong Kong. It enables the peaceful and smooth transfer of power in Hong Kong, while maintaining its stability and prosperity. The solution of the Hong Kong issue provides a good precedence for resolving the Macao and Taiwan issues (of course the Taiwan issue is different and is solely China's internal affairs), and for accomplishing the reunification of the motherland. It creates a new experience for nations to peacefully resolve problems left over by history.

He said that the articles in the Basic Law (Draft) forbidding the use of Hong Kong as a base to subvert the central government, forbidding foreign political organizations or bodies from engaging in political activities in Hong Kong, and forbidding the political organizations or bodies of Hong Kong from establishing ties with foreign political organizations or bodies have their practical

aim. Only in this way can one assure that the "one country, two systems" will be smoothly implemented in Hong Kong.

In his appraisal, Chu Zhuang, member of the Seventh NPC Standing Committee and vice chairman of the Central Committee of the China Association for Promoting Democracy, said: The main point in the Hong Kong Basic Law (Draft) is that it affirms the restoration of the Chinese Government's sovereign rights over Hong Kong, upholds the integrity of China, and fulfills the historical mission of recovering Hong Kong. On this point, the Hong Kong Basic Law (Draft) clearly stipulates that the central government will be responsible for the foreign affairs and defense of the Hong Kong Special Administrative Region, will appoint the chief executive officer and the principal officials of administrative organs of the Hong Kong Special Administrative Regions, and will exercise its administrative and supervisory powers in Hong Kong. These embrace the principles of national sovereignty. It indicates that the Hong Kong Special Administrative Region is under the unified leadership of the central people's government, and that it is an administrative region under the jurisdiction of the central people's government and not an independent entity in any sense.

Chu Zhuang said: On the other hand, the Basic Law (Draft) clearly specifies that the Hong Kong Special Administrative Region as an unalienable part of China will preserve its present capitalist system and enjoy a high degree of autonomy. With regard to its political system, the NPC, under the basic law, will empower the Hong Kong Special Administrative Region to exercise its executive and legislative powers as well as independent judicial and final adjudication powers. In the economic fields, the Hong Kong Special Administrative Region will be financially independent, and will implement an independent tax and revenue system. It will have its own currency and banking policies, and will retain its status as an international financial center, an independent tariff area, and a free port. All these incorporate the principles of "two systems" in the "one country, two systems" concept.

In his evaluation, Tao Dayong, member of the Seventh NPC Standing Committee and Professor of the Economics Department of the Beijing Normal University, said: The articles concerning economics in the Hong Kong Basic Law (draft) clearly spell out the protection of private property, and the implementation of an independent tax and revenue system in Hong Kong. They also stipulate that the Hong Kong Special Administrative Region can formulate its own monetary and banking policies to protect the freedom of financial enterprises and the financial market. These articles all serve to protect the existing market economy and capitalist system in Hong Kong.

Some people worry that the return of Hong Kong to the motherland in 1997 will affect its status as an international financial center. In this respect, Tao Dayong

noted: Such worries are unnecessary. Both external and internal conditions determine Hong Kong's status as an international financial center. Judging from the external conditions, the trend of world economic development at present indicates that the center of global economic activities is beginning to shift from the Atlantic to the Pacific. The general pattern of world economic development indicates that the role of Hong Kong in the Asia-Pacific region will become increasingly important. However, it will be difficult for Hong Kong to play the role of an international financial center alone. It will need the motherland as a backup. This is an advantage for Hong Kong with regard to internal conditions. In particular, after 1997, Hong Kong will retain its capitalist system, and continue to remain in its former position in the capitalist world. With the support of the motherland, Hong Kong will be able to exert its advantage in full.

Tao Dayong said: The reason I stress the link between Hong Kong and the mainland is that the new situation is an advantage for the mainland and even more so for Hong Kong. No matter how developed Hong Kong's economy and trade becomes, it is still an isolated island, and may have difficulties playing an important role in the world economy by relying solely on the advantage of capital and a population of five million. However, with the Chinese mainland that has the resource of a 1.1 billion work force as well as a vast market as its backing, Hong Kong's economic strength will be greatly enhanced.

Economic Prospects

OW2203040290 Beijing XINHUA in English
0258 GMT 22 Mar 90

[Text] Beijing, March 22 (XINHUA)—A senior Chinese trade official predicts that the Chinese mainland and Hong Kong will "enter a new period of closer economic and trade relations" when the Draft Basic Law of the Hong Kong Special Administrative Region is examined and adopted by the National People's Congress (NPC).

The Draft Basic Law has been submitted to the NPC, China's highest organ of state power, for deliberation at the ongoing annual session.

The official, at the Ministry of Foreign Economic Relations and Trade, said that the long-existent close economic ties between the mainland and Hong Kong have extended from trade to finance, industry, science and technology, transport and tourism during the past four decades, especially in the last 10 years.

The close ties have been indispensable to Hong Kong's continuous rapid economic growth and prosperity and laid a firm foundation for further cooperation between the two sides in the years to come, he added.

He noted that the Hong Kong's economy has been operating according to its own law for the past century and more. The Draft Basic Law stipulates that after

1997, the region will exercise a high degree of autonomy and its capitalist system will remain unchanged for 50 years. This will ensure continuous and normal operation of its economy, he said.

The Draft Basic Law provides a legal guarantee for Hong Kong to keep its status of world financial center and free port. This not only enables Hong Kong to stand firmly in international economic exchanges, but also opens wide prospects for economic cooperation with the mainland in the new period, he said.

The official, who is in charge of the mainland's economic relations and trade with Hong Kong, predicted that the new period will see "faster and broader economic cooperation and trade between the two sides than in the past decade when the reform and open policy was implemented."

The official reviewed the rapid development of economic cooperation and trade between the sides in the last decade.

In 1989, the volume of the mainland's import and export trade with Hong Kong reached 22.233 billion U.S. dollars, six times that of 1979; its exports to Hong Kong, 14.267 billion U.S. dollars, four times that of 1979 and one third of its total annual exports. The two sides have become each other's biggest trade partners.

Despite last year's unrest, the mainland's trade with Hong Kong kept growing in 1989, with its exports up by 11 percent. "This shows the mainland-Hong Kong economic and trade relations are developing steadily on a firm basis," he stressed.

The mainland is now the biggest source for Hong Kong's transit trade. Goods for Hong Kong to reexport now accounts for about 80 percent of the mainland's total exports to Hong Kong as against 30 percent 10 years ago. This has enhanced Hong Kong's position as the world's largest port for transit trade, he said.

Among the 20,000 overseas-invested firms on the mainland, those funded by Hong Kong investors account for nearly 80 percent.

He pointed out that cooperation between the two sides in the forms of compensation trade and processing business has developed rapidly in the last decade. Taking advantage of the cheap labor and factory sites and the processing facilities and technological resources on the mainland, Hong Kong has been able to raise the competitiveness of its products, while the mainland has also benefited from such cooperation in providing more jobs and boosting the economic development of coastal areas.

The official stressed that since 1949, the mainland has ensured long-term, stable supply of meat, eggs, vegetables and raw materials as well as fresh water to Hong Kong, to the satisfaction of Hong Kong residents and industrial and commercial circles.

The official believed that with the gradual realization of the "one country, two systems" concept and with the mainland continuing its reform and open policy, the close mainland-Hong Kong ties will ensure sustained prosperity and stability for Hong Kong and steady development for the mainland.

Joint Liaison Group Chief Guo Fengmin Honored

Guo Addresses Group

OW2203042290 Beijing XINHUA Domestic Service
in Chinese 1459 GMT 21 Mar 90

[By reporter Chen Xiaobin (7115 2556 1755)]

[Text] Hong Kong, 21 Mar (XINHUA) — The Chinese members of the Sino-British Joint Liaison Group today hosted a cocktail party in honor of their new chief Guo Fengmin. Attending the party were Zhou Nan, director of the XINHUA Hong Kong branch; Huode [name as received], chancellor of treasury of the Hong Kong Government; Tony Galsworthy, chief British representative of the group; and celebrities from all walks of life in Hong Kong.

In his address, Guo Fengmin said: If the ongoing Third Session of the Seventh National People's Congress passes and promulgates the Draft Basic Law for the Hong Kong Special Administrative Region of the People's Republic of China, Hong Kong's transitional period will enter a new stage. During this stage, the Sino-British Joint Liaison Group should step up consultations to ensure Hong Kong's prosperity and stability.

Guo Fengmin arrived in Hong Kong on 13 March to replace his predecessor Ke Zaishuo.

JLG To Discuss Issues

HK2203021190 Hong Kong SOUTH CHINA
MORNING POST in English 22 Mar 90 p 5

[Text] A Senior Chinese official said yesterday that Beijing still had to investigate whether the recently-released Bill of Rights for Hong Kong contravened the Basic Law.

The new leader of the Chinese side of the Sino-British Joint Liaison Group, Mr Guo Fengmin, added that the issue would be raised in the JLG's talks in April.

The controversial British nationality scheme to provide UK passports for 250,000 Hong Kong residents is expected to top the group's agenda, he said.

Speaking at a welcoming reception at the New China News Agency, Mr Guo said he had only recently received a copy of the Bill of Rights and he had yet to study it in detail.

"But we want to raise this issue with the British side. The question should be discussed in the JLG," said Mr Guo, referring to the next plenary session to be held in Beijing from April 24 to 27.

"The Bill of Rights goes beyond July 1, 1997. Therefore, the question relates to the transition and the future Special Administrative Region. The issue, therefore, should be discussed with us."

Referring to the nationality package, Mr Guo said: "The problem of British passports is more complicated.

"During the Sino-British negotiations and the subsequent signing of the Joint Declaration, both sides exchanged a memorandum which laid down the arrangements for handling the nationality issue.

"What we want is for the British side to act strictly in accordance with the memorandum."

Although Britain has insisted the package does not contravene the Joint Declaration, Mr Guo said there should be further discussions.

The veteran diplomat believes the transitional period is entering a new era as the Basic Law is about to be approved by the seventh National People's Congress in Beijing.

Circumstances require both sides to step up their negotiations on various issues, he said.

"I have talked to Mr Tony Galsworthy (the British team leader) about this. Both sides have expressed this wish."

PRC Urges JLG Opinion

HK2203022790 Hong Kong HONGKONG STANDARD
in English 22 Mar 90 p 1

[By Tammy Tam and S.Y. Yue]

[Text] China views the Bill of Rights as a move by Britain to put legal limitations on the administrative power of the Hong Kong Special Administrative Region (SAR) government after 1997, it is understood.

Beijing also considers that the bill will be used in a way in future that will affect Hong Kong's stability.

The HONGKONG STANDARD can reveal that these are some of the aspects of China's position on the bill and that these will be spelled out to the British during discussions.

China has made it clear that it wants the matter brought up before the Sino-British Joint Liaison Group [JLG].

Chinese officials are now preparing a number of counter-measures to what Beijing sees as possible threats to the SAR's interests contained in the bill.

Any provisions of the Bill of Rights which China views as contravening the Sino-British Joint Declaration and the Basic Law would be considered invalid after 1997.

Article 39 of the Joint Declaration is cited partly in the Commentary on the Draft Hong Kong Bill of Rights Ordinance 1990 published by the Hong Kong Government

The quoted section states: "The provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong shall remain in force."

Chinese sources pointed out that the document omitted the last part of Article 39 which says "and shall be implemented through the laws of the Hong Kong Special Administrative Region".

Chinese officials argue that the SAR government has the right to decide whether and how to implement the Bill of Rights after 1997.

As China considers the Basic Law as the only supreme law governing Hong Kong after 1997, it will not accept any kind of international law which may equal or surpass this mini-constitution.

China has not signed the two international covenants mentioned in the Joint Declaration.

It holds the view that it has no obligation to report to the United Nations on human rights in Hong Kong after 1997, nor does it have to be subject to the supervision of relevant international covenants.

Chinese sources said Beijing is particularly unhappy that the British Hong Kong Government prepared the drafting of the Bill of Rights without consulting China.

The new head of the Chinese side of the JLG, Mr Guo Fengmin, said at a cocktail reception last night that the Hong Kong Government should discuss the Bill of Rights with Beijing.

"This should be discussed in the JLG meeting as it will not only be effective before June 30, 1997, it will also be effective after July 1, 1997," Mr Guo said.

He said they had received a copy of the Bill of Rights recently but had not studied it in detail.

"From our point of view, we have to study the Bill of Rights to see if it will contravene the Basic Law," he said.

A major worry on the Chinese side is that the bill may be used by certain Hong Kong people as a legitimate basis to oppose the future SAR government or the central government and to create difficulties for the Chinese side during transition.

It is believed that the articles in the Bill of Rights on freedom of opinion and expression, right of peaceful assembly and freedom of association might be at odds with China's views on subversive activities.

And the right to participate in public life, as stipulated in the Bill of Rights, may also conflict with certain provisions on election in the Basic Law.

- It is also understood that China is worried that with the implementation of the Bill of Rights, the human rights issue in Hong Kong will be internationalised after 1997

and that the British government will continue its influence on the SAR government through such a law.

On the other hand, the administrative and judicial functions of the SAR government will also be limited.

Another major concern of Beijing is that, with an independent court and the Bill of Rights, an individual in Hong Kong will have the legal right to sue the SAR and even the central government after 1997, with the excuse that certain government policies might contravene certain provisions of the bill.

Meanwhile, Mr Guo said another topic he wanted to raise during the next round of JLG talks—to be held in Beijing from April 24 to 27—will be the British government's nationality package.

PRC Still Views Colony as Security Threat

HK2103022890 Hong Kong SOUTH CHINA
MORNING POST in English 21 Mar 90 pp 1, 14

[By Chris Yeung in Beijing]

[Text] Hong Kong still poses a threat to the national security of China, according to a senior Beijing official, Mr Li Hou.

"The threat is no less after June 4, although it has not necessarily grown," he said in an interview yesterday.

Mr Li also said that one of China's major concerns about next year's direct election was whether most members of the future Legislative Council would be hostile towards the Chinese Government.

He dashed hopes held among top government officials and legislators that Beijing might agree to speed up the pace of democracy if the 1991 poll should prove to be a success, stressing that the Basic Law was a solemn document and would not be amended before 1997.

Mr Li, a deputy director of the State Council's Hong Kong and Macao Affairs Office, was attending the current Chinese National People's Congress plenary session as a Shandong province deputy.

Defending the warning issued by the Prime Minister, Mr Li Peng, against subversion in Hong Kong, Mr Li Hou said: "We feel the threat. You (Hong Kong) are posing the threat to us. It's a real one. We're worried about it."

"It is a major blunder to say we should simply consider the confidence and sentiments of Hong Kong people, but forget about the security of the country as a whole."

"The question of whether it is really able to subvert China is another matter. Of course, it cannot. It's a fact that somebody is causing the trouble."

Mr Li cited as a case in point the assistance local people have given to the ship, Goddess of Democracy, which was organised by Overseas Chinese dissidents in Paris

such as Mr Wuer Kaixi to broadcast messages of democracy to the mainland from a neighbouring coast.

"Some people in Hong Kong are giving them a helping hand. This will bring about a threat to China," Mr Li said.

The Hong Kong Alliance in Support of the Patriotic Democratic Movement in China had earlier said the group would meet the dissidents when they sail into local waters.

Asked if the Hong Kong Government has handled the matter in an appropriate way, Mr Li said: "We'll have to see what steps will be taken by the (Hong Kong) Government." He did not elaborate.

He said they did not want to see people who were hostile towards China in the legislature of the future Special Administrative Region (SAR).

"I can't imagine the majority of seats in the future legislature are held by people who are hostile towards the mainland Government. This is one of our considerations, though not the only one. But it does not mean we want to put in all whom you call pro-China people."

Mr Li said there should be mutual respect and a harmonious relationship between the territory and the mainland.

"Some people say there is freedom of speech in Hong Kong. As long as it is legal, everything is all right. But as long as we are in the same country, like a family, it's not just a matter of law.

"If we criticise each other every day, what kind of family is it? We get infuriated when we read the newspapers in Hong Kong. Be they cartoons, or columns, nine out of 10 criticise us.

"The Chinese leaders were elected by the masses. We should not put the two on a confrontational situation," he said.

"Some people said they didn't trust me, Li Hou, and wanted to stay far away from me. If they want to go, please be quick. Don't organise any more rallies and demonstrations and incitement. We're convinced most of the people will not, and cannot, go.

"We can do nothing before 1997. It's still under British administration. We can only repeatedly explain our policies and put them into law, and the last thing is to wait for the coming of 1997.

"Only when 1997 comes and people find life makes little difference will they want to say. No matter what we say, they won't believe us," he said.

Mr Li maintained, however, the Government Work Report would have beneficial effects on public confidence as China became more stable in politics and in the economy.

"The stability of Hong Kong depends on the situation on the mainland. Hong Kong also does not want to see China getting chaotic. If there was chaos on the mainland, it could develop into even a civil war. No one would benefit from it. It isn't like the development in Eastern Europe which was completed in a short period," he said.

Mr Li refuted criticisms that the Communist Party has done nothing good but brought only poverty.

"They just don't understand China. There are drastic changes in the past four decades," he said.

"We want no more hiccups to occur so that we can concentrate on improving the economy."

Turning to the British right of abode plan, he said China would not recognise the passports of the beneficiaries because there would be a major problem over sovereignty if those people hold all the key positions in the future SAR.

He clarified, however, that holders of foreign passports who gained foreign nationality after residing in other countries will still be considered as foreign nationals after they returned to Hong Kong after 1997.

"They will lose their Chinese nationality automatically when they gain foreign nationality. They don't have to renounce Chinese nationality if they return to Hong Kong."

Lord Carrington Carries PRC Message to UK

HK2203021590 Hong Kong HONGKONG STANDARD
in English 22 Mar 90 p 8

[By Tammy Tam]

[Text] Visiting former British Foreign Secretary Lord Carrington was yesterday given a message from China to take back to Britain.

Lord Carrington had a private meeting with China's top representative in Hong Kong, the local Xinhua branch director, Zhou Nan, inside the Xinhua office.

Chinese sources said later both sides had "discussed issues of mutual interest and exchanged their views under a very friendly and frank atmosphere".

These "issues of mutual interest" included the British right of abode proposal and the Bill of Rights.

The sources said Mr Zhou had "stated clearly" China's stand on the right of abode and the Bill of Rights issues to Lord Carrington during the meeting. China views the two measures as demonstrating an uncooperative attitude by the British in the handover of Hong Kong to China.

Mr Zhou apparently was using the opportunity to pass on this message through an unofficial channel.

Lord Carrington is understood to have confined his comments at the meeting to his views on the rapidly changing East-West relations, a matter of international rather than domestic significance.

Lord Carrington has refused to comment in public on Sino-British relations in the past few days, saying that he has not been concerned with negotiations between Britain and China since 1982.

Lord Carrington, who resigned as Foreign Secretary after the Argentine invasion of the Falklands, initiated the meeting with Mr Zhou, an old friend.

Chinese sources said that it was just a courtesy meeting.

Mr Ji Shaoxiang, head of Xinhua's Foreign Affairs Department, was also at the meeting yesterday.

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